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REVIEW OF TECHNICAL COOPERATION ACTIVITIES OF UNCTAD

Report by the Secretary-General of UNCTAD

Annex 1: Review of activities undertaken in 2000

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Note

All references to dollars ($) are to United States dollars.

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Amounts in brackets indicate a negative value.
IALA means "Inter-Agency Letter of Agreement".
OPC means "operationally but not financially completed".

Details and percentages do not necessarily add up to totals, owing to rounding.

The financial data in the tables on projects reflect the situation as at 31 December 2000. Occasionally, total expenditures exceed total budget. Early in 2001, budget figures were corrected to reflect correct income. The negative amounts in the 2000 expenditures column pertain to the adjustments of prior year accounts and or savings on the liquidation of prior years obligations.

Abbreviations

ALADI	Latin American Integration Association
APEC	Asia-Pacific Economic Cooperation Forum
BTI	Bureau du Trafic International
CAPAS	Coordinated African Programme of Assistance in Services
CDM	clean development mechanism
CIS	Commonwealth of Independent States
COMESA	Common Market for Eastern and Southern Africa
CS	cost sharing
DANIDA	Danish International Development Agency
DESA	Department of Economic and Social Affairs
DFID	Department for International Development
DMFAS	Debt Management and Financial Analysis System
DSE	German Foundation for International Development
DSM	Debt Sustainability Model
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
EISADARM	Eastern and Southern African Initiative in Debt and Reserves Management
FDI	foreign direct investment
FTAA	Free Trade Area of the Americas
GATS	General Agreement on Trade in Services
GSP	Generalized System of Preferences
GSTP	Global System of Trade Preferences among Developing Countries
ICME	International Council on Metals and the Environment
IDRC	International Development Research Centre
IMF	International Monetary Fund
IPF	indicative planning figure
IRSG	International Rubber Study Group
IRU	International Road Transport Union
ISO	International Organization for Standardization
ITC	International Trade Centre UNCTAD/WTO
ITU	International Telecommunication Union
JITAP	UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Selected Least Developed and Other African Countries
JOBMAR	On-the-job Training in Shipping and Ports
LDC	Least developed country
MEFMI	Macroeconomic and Financial Management Institute of Eastern and Southern Africa

MENA	Middle Eastern and North Africa
MICAS	Microcomputer-based Commodity Analysis and Information System
NIE	newly industrialized economy
OAU	Organization of African Unity
ODA	official development assistance
OECD	Organization for Economic Cooperation and Development
PHARE	European Community assistance programme for the reconstruction of the economies of Central and Eastern Europe (Originally: "Poland and Hungary: Assistance to the Reconstruction of the Economy")
POEMA	Programme on Poverty and Environment in Amazonia
RBP	restrictive business practices
SAARC	South Asian Association for Regional Cooperation
SADC	Southern African Development Community
SAIC	Science Application International Corporation
SCFB	Societe de Chemins de Fer de Burkina
SDR	special drawing right
SICF	Societe Ivoirienne des Chemins de Fer
SIDA	Swedish International Development Agency
SIECA	Permanent Secretariat of the General Treaty on Central American Economic Integration
SITDC	SADC Industry and Trade Co-ordination Division
SMART	System for Market Analysis and Restrictions on Trade
SPPD	support for policy and programme development (UNDP)
SPR	Special Programme Resources (UNDP)
STS	Support for Technical Services (UNDP)
TCR	Tanzanian Railways Corporation
TRAC	targets for resource assignments from the core (UNDP)
TRAINS	Trade Analysis and Information System
UDEAC	Central African Customs and Economic Union
UEMOA	Union economique et monetaire ouest- africaine
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNFIP	United Nations Fund for International Partnership
UNIDO	United Nations Industrial Development Organization
UNITAR	United Nations Institute for Training and Research
USAID	United States Agency for International Development
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

Introduction

1. This annex provides a description of the main technical cooperation projects and programmes undertaken by UNCTAD in 2000. It is presented, as far as possible, in accordance with the structure of the divisions/branches of the secretariat responsible for backstopping the projects or programmes concerned. A list of individual projects implemented by each organizational unit follows the corresponding narrative.

Review of activities by programme area

A. Division on Globalization and Development Strategies

1. Macroeconomic and development policies

(a) Technical support to the Intergovernmental Group of 24

2. ***Development context:*** The international monetary and financial system has a decisive impact on the global environment for sound macroeconomic and development policies. The Group of 24 (G-24) aims at strengthening the contribution of the developing countries in discussions and negotiations on issues related to the design and functioning of the international monetary and financial system.

3. ***Objectives:*** This project aims at strengthening the G-24 in its effort to build the necessary capacity in developing countries to make meaningful contributions to the debate of the reform of the international monetary and financial system and to enhance their ability to cope with the consequences of increasing global interdependence.

4. ***Features/output:*** The G-24 was provided with technical studies, prepared by internationally renowned experts, for the preparation of discussions and negotiations on international monetary and financial issues in the IMF's International Monetary and Financial Committee, the Joint IMF/World Bank Development Committee, and other bodies. The studies were submitted to the two meetings of the Technical Group of the G-24 and then to the Meetings of G-24 Deputies and Ministers. The topics covered were: governance-related conditionality; the standardization of law and its impact on developing countries; the rationale, design and incidence of revised capital standards in banking; the new approach to poverty reduction in a globalizing world economy; financial liberalization and its implications for exchange rate regimes; current issues in the debate over the reform of the international financial architecture; lessons from the East Asian crisis; and the costs and benefits of promoting FDI. The meetings of the Group benefited not only from the participation of the

consultants preparing research papers under the Project, but also from presentations by, and discussions with, independent experts and senior staff of other international organizations.

5. ***Output results:*** In 2000, sixteen research papers were submitted to the G-24 meetings. By the end of the year, seven papers had been published in the new *G-24 Discussion Paper Series*, a joint product of UNCTAD and the Center for International Development at Harvard University. The research project is one of the main pillars on which G-24 activities build. It has contributed significantly to the coherence of the G-24 and helped to strengthen policy-making capacity on the level of both the Group itself and its member countries. In particular, it has helped to enhance the understanding in developing countries of current and upcoming issues subject to discussion and negotiation in the international financial institutions. Moreover, it has provided developing countries with analysis from a developing perspective, and with alternative policy options regarding macroeconomic, financial and development policies. It has also contributed directly to the debate among policy-makers, staff of international institutions and the academia. Furthermore, the research carried out under the project and the discussions at the technical group meetings are valuable inputs to the analytical work of UNCTAD as made available in the *Trade and Development Report* and other parliamentary documentation.

(b) Economic development and regional dynamics in Africa: Lessons from the East Asian experience

6. ***Development context:*** The outbreak of the financial crisis in East Asia induced the debate on appropriateness of the development strategy of the region's newly industrializing economies (NIEs). Particularly, the policy elements dealing with the financing aspect of development strategy are receiving particular attention. Therefore, a thorough analysis of the East Asian experience before, during and after the crisis can contribute to the design of adequate policies in other developing countries.

7. ***Objectives:*** The project aims at enhancing the understanding of policy makers in developing countries and countries with economies in transition of the factors that have contributed to successful development in East and South-East Asia, but also of the remaining weaknesses and newly emerging problems in the NIEs.

8. Policy-makers from a selected number of low income and middle income African countries were invited to a workshop on management of capital flows: comparative experiences and implication for Africa (Cairo, March 2001). The principal objectives of the workshop were to promote a dialogue between researchers and policy-makers in order to enhance the policy relevance of the research undertaken by UNCTAD and to prepare the analytical basis for UNCTAD's future work with regard to African growth and economic development.

9. ***Features outcome:*** In line with the objective of the project, research papers were prepared and discussed on the following issues: capital flows and growth in Africa; public debt in Africa; the

OECD Code of Liberalization of Capital movements; the management of the capital account (a case study of India and Malaysia); foreign exchange control (a case study of China); Capital account regimes of Africa; corporate governance and large corporations in emerging markets; and finance-related issues in the corporate sector (a case study of Republic of Korea).

10. ***Results:*** The outcome of the research was discussed in the workshop in the context of the experiences and requirements of African countries in their own management of their capital account regimes. These papers will be finalized in light of the above discussions and deliberations and will be widely circulated in the course of 2001.

2. The DMFAS Programme

11. ***Development context:*** The scant attention paid by many developing countries to the basic functions of debt management was one of the contributing factors to the debt crisis of the 1980s. These basic functions include: (a) the compilation of accurate and up-to-date records on all external loans; (b) full awareness of the timing and amounts of debt-servicing obligation; and (c) the possibility of projecting the impact of foreign borrowing decisions of various entities on the overall debt profile and balance of payments.

12. ***Objectives:*** The objectives of the Debt Management and Financial Analysis System (DMFAS) Programme are: to help developing countries and countries in transition to develop appropriate administrative, institutional and legal structures for effective debt management; to establish an adequate information system, with detailed and aggregated data on loan contracts, past and future disbursements, and past and future debt service payments; to improve national capacity to define and select appropriate debt strategies; and to increase national capacity to record grants and projects financed from external resources, thereby contributing to aid management.

13. ***Features:*** The core of the DMFAS technical cooperation package is the provision of a computer-based debt management system. This system is usually installed in central banks or ministries of finance within the framework of a technical cooperation country project, funded by UNDP, other multilateral or bilateral donors, or sometimes Governments themselves. The assistance given under the Programme has three main features: (a) advisory services, including needs assessments and advice on technical, administrative, legal and institutional debt management issues, and assistance in software installation and maintenance; (b) software designed to meet the operational, statistical and analytical needs of debt managers and bodies involved in elaborating external debt strategies; and (c) training in the use of the software and capacity-building debt management issues in general.

14. With around 50 active country projects and total yearly extra budgetary expenditure of around $2 million per year, the DMFAS Programme is one of the main technical cooperation programmes of UNCTAD. The DMFAS, which encompasses more than 16 years of cumulative experience in the

area of debt management, is a state-of-the-art debt management system, and is currently the most widely used standard system in the world. Over the last six years, the DMFAS Programme has more than doubled its client base to more than 60 countries.

15. ***Output:*** Major activities in 2000 included the release of DMFAS version 5.2, further implementation of the system in the requesting countries, DSM+ activities, an Interregional Debt Management Conference and the establishment of a DMFAS Advisory Group.

16. Since December 2000, the DMFAS Programme collaborates with more than 60 developing countries and economies in transition. While five countries are still using the older version 4.1Plus, versions 5.0/5.1/5.2 are installed in 66 institutions in 47 countries. Work on the development of a new version has started. Follow-up projects are being prepared for many of these countries and negotiations and project preparations are under way in order to install the system in at least ten new countries. 119 missions to 39 countries have been undertaken by central staff and consultants.

17. While the DMFAS Programme provides its products and services within the framework of country projects, for which funding is generally available, it operates with a central team of experts (now 17 professionals) based in Geneva. Since 1995, in addition to regular budget and country projects, this team has mostly been funded by a group of bilateral donors. Donor meetings are organized regularly in order to obtain the resources required. Also, the establishment of a DMFAS trust fund is being considered, in order to ensure the financial sustainability of the central operation of the DMFAS Programme.

18. Upon recommendation of the Trade and Development Board, a DMFAS Advisory Group was established by the Secretary General. The first DMFAS Advisory Group Meeting was held in Geneva in November 2000. This Group, composed of technical representatives of interested member States, including existing and potential donors and beneficiaries, will advise the Secretary-General on a range of issues affecting the programme, including options for ensuring its financial sustainability. It will have a supervisory role over the above-mentioned DMFAS trust fund.

19. In October 1998, UNCTAD concluded a partnership agreement with the World Bank and the Commonwealth Secretariat for the purpose of providing DMFAS users with an analytical tool for the preparation of debt sustainability analysis. In order to facilitate the implementation of this agreement and the dissemination of the DSM+, an international consultant was hired in February 2000, with resources from the UN Development Dividend. The consultant has prepared a document outlining the strategy for the dissemination of the DSM+ as a major component of the capacity building of the DMFAS Programme.

20. DSM+ was also one of the main topics during the second inter-regional Debt Management Conference, which UNCTAD organized in Geneva from 3 to 5 April 2000. More than 200 participants from around 60 countries, as well as approximately 20 international organizations attended this event. Other main topics included: (a) role of the debt management function in today's economic

environment; (b) benefits of applying sophisticated risk management tools; (c) impact of the Euro on debt and risk management and (d) financial management systems.

21. ***Results:*** The gains obtained from the DMFAS Programme by user countries are difficult to quantify, as the benefits of better information, analysis, negotiations and policy-making cannot easily be measured. However, it is generally accepted that these gains far exceed the cost of DMFAS country projects. The cost of these projects ranges from $60,000 to over $1 million, depending on the activities to be undertaken, the size of the debt database to be computerized, and the equipment and staff included in the project. At the very least, DMFAS pays for itself by making debt-servicing procedures more efficient and by checking inconsistencies in the claims of creditor agencies. Substantial savings can also be made by avoiding unnecessary costs such as overpayments to creditors or penalty interests due to poor bookkeeping. In Argentina, for example, where the DMFAS project cost around $1 million, the direct savings made during the three-year implementation phase of the project amounted to around $25 million.

3. Special programmes

(a) UNCTAD's assistance to the Palestinian people

22. ***Development context:*** Since the establishment in 1994 of the Palestinian Authority (PA), it has been engaged in a sustained programme of economic reconstruction and development, with wide international involvement. UNCTAD's assistance to the Palestinian people has accordingly focused on operational activities in support of PA efforts to elaborate trade policy, enhance trade facilitation, enable enterprise activity and investment and improve the management of financial resources for development.

23. ***Objectives:*** In line with the provisions of the United Nations Medium-term Plan for 1998-2001, UNCTAD aims to continue its work, in accordance with its mandate, in assisting the Palestinian people to develop capacities for effective policy-making and management. UNCTAD's programme of technical cooperation in this area aims to provide concrete assistance with a view to bolstering Palestinian public institutional development and helping to create an enabling environment for the private sector. Working in close cooperation and co-ordination with other concerned international agencies, the secretariat has responded to PA requests for assistance since 1995 in 15 project areas, through deploying streamlined and selective operational activities, especially advisory and consultancy services, group training and technical support.

24. ***Output:*** The first three quarters of 2000 witnessed further progress in projects already commenced, new advisory missions and project preparation in other areas and identification of new extra-budgetary resources to implement some pending project proposals. However, deterioration in

field conditions since October 2000 forced a suspension of ongoing or planned technical assistance activities in the following areas:

- Training programme in international commercial diplomacy: PHASE II ;
- Support of small and medium-size enterprise development (EMPRETEC);
- Strengthening trade efficiency: Trade Point Palestine Ramallah/Gaza;
- Guidelines for sustainable development of the Palestinian economy;
- Strengthening technical capacities in customs administration - PHASE I;
- Strengthening capacities in debt monitoring and financial analysis (DMFAS).

25. Proposed project activities, pending owing to lack of resources, include: Promoting subregional cooperation of PA with Egypt and Jordan: PHASE 2; managerial and institutional capacities for Gaza Seaport; strengthening capacities of the domestic insurance sector; international trade in strategic food commodities.

26. Meanwhile, in response to a request by the PA Minister of Economy and Trade, the secretariat initiated a joint effort with the UNCTAD/WTO International Trade Centre (ITC) to respond to urgent technical assistance needs posed by the economic crisis since October 2000. An appeal was launched to a number of bilateral and multilateral donors to contribute to implementation of a package of urgent UNCTAD/ITC technical assistance, to enhance Palestinian regional integration and cooperation and assist the Palestinian external trade sector in addressing new policy challenges.

27. ***Results:*** Paragraph 167 of the Bangkok Plan of Action affirms that the continuation of the assistance that the UNCTAD secretariat provides to the Palestinian people is welcome, and should be intensified. While the secretariat was poised in mid-2000 to commence implementation of three major new development projects, this intensified assistance was abruptly suspended, owing to the deterioration in the field situation. While the situation at the end of 2000 rendered the provision of technical assistance more complicated and enforced a more prudent pace, modalities were identified to permit limited resumption of work in several project areas as of early 2001. Completion in 1999 of four technical assistance projects led to follow-on activities, funding pledged for project initiation and new requests for technical assistance by the PA. This reconfirms the relevance of UNCTAD's technical assistance.

(b) Trust Fund on Iron Ore

28. ***Development context:*** Following the suspension of the activities of the Association of Iron Ore Exporting Countries as from 1 June 1989, the Governments of certain countries decided to establish a trust fund on iron ore information to be administered by UNCTAD.

29. ***Output/results:*** *Iron Ore Statistics*, a statistical report published annually around August, continues a series that started in 1989. It contains tables with worldwide and country-specific data for iron ore production, exports, imports and prices, as well as pellet production, exports and

production capacity and other data relevant to the world iron ore market. The 2000 *Market Report on Iron Ore* is the latest in a series of annual publications (usually issued in April/May) containing updated data on iron ore production, trade and prices, and the short-term outlook, as well as a market analysis. Annually, the sales income from these reports in percentage of the total expenditures of the Fund has increased from around 25 per cent in the early 1990s to around 58 per cent in recent years.

A. DIVISION ON GLOBALIZATION AND DEVELOPMENT STRATEGIES

(in US Dollars)

Project number	Short title	Duration	Status in 2000	Source of funds	Total budget	Cumulative expenditure	Expenditure 2000
Macro-economic and development solicies							
INT/89/A15	Studies for the G24	1990 -	Ongoing	Multidonors	537,046	554,465	46,310
INT/91/A21	Studies on international monetary and financial issues for G24	1991 -	Ongoing	Netherlands	276,861	275,811	66,119
INT/93/A30	Technical support to the G24	1993 2000	OPC	Denmark	161,638	160,661	17,776
INT/96/A61	G-24, Phase III	1997 2000	Ongoing	Canada/IDRC	163,340	169,787	-863
INT0T0AL	G-24 Technical support service, Phase IV	2000 2003	Ongoing	Canada/IDRC	235,398	78,553	78,553
RAF/97/A28	International Conference on economic development and regional dynamics in Africa: Lessons from the East Asian experience	1997 -	Ongoing	Japan	346,760	257,123	42,725
	Subtotal: Macro-economic and development policies				**1,721,043**	**1,496,400**	**250,620**
DMFAS programme							
ALB/97/010	Strengthening the debt management capacity of the Government	1998 2001	Ongoing	UNDP	257,500	196,658	24,381
ANG/99/A55	Implementation of DMFAS 5.2	1999 2001	Ongoing	Angola	319,790	238,786	238,786
ARG/93/045	DMFAS	1993 2001	Ongoing	UNDP	1,369,616	1,359,101	70,162
BGD/00/A26	Elaboration of a debt management project for the Finance Ministry	2000 2004	Ongoing	Norway/NORAD	26,461	21,424	21,424
BOL0T0AK	Integracion de la gestion de la deuda en Bolivia	2000 2002	Ongoing	Bolivia	240,300	40,741	40,741
BYE/94/002	Strengthening the external debt management capacity	1995 -	Ongoing	UNDP	83,100	88,330	18,572
CAF/95/A42	Information de la gestion de la dette exterieure	1995 -	Ongoing	Central African Republic	60,000	53,691	5,101
DOM/95/A05	Control y administracion del endeudamiento externo	1996 -	Ongoing	Dominican Republic	178,540	129,980	16,412
ECU/98/A45	Control y administracian de la deuda publica	1998 -	Ongoing	Ecuador	166,100	79,282	28,732
EGY/99/A25	DMFAS installation in the Central Bank of Egypt	1999 2001	Ongoing	Egypt	43,500	14,580	14,579
ELS/98/A41	Control y administracion del endeudamiento publico	1998 -	Ongoing	El Salvador	135,374	111,920	15,819
GLO/98/008	Strengthening the external debt management capacity	1998 2001	Ongoing	UNDP	197,900	93,646	30,848
GUA/98/017	Sistema integrado de la administracion financiera	1999 2001	Ongoing	UNDP	229,200	118,035	13,476
INS/98/A38	Implementation of DMFAS 5.1	2000 2001	Ongoing	Australia	211,690	112,438	112,438

Project number	Short title	Duration	Status in 2000	Source of funds	Total budget ($)	Cumulative expenditure ($)	Expenditure 2000 ($)
IRA/97/A13	DMFAS 5.0 installation in Bank Markazi	1997 -	Ongoing	Iran, Islamic Rep.	196,493	191,129	30,336
KAZ/97/A39	External Debt Information System	1997 -	Ongoing	Kazakhstan	173,200	134,336	-2,821
LIT/99/A15	Capacity Building in Debt and Financial Management	1999 2001	Ongoing	Lithuania	64,410	53,714	25,343
MCD/97/004	Installation of DMFAS 6.1 in the National Bank of Macedonia	1999 2001	Ongoing	UNDP	21,111	19,602	19,602
MOL/97/007	International financial markets and debt management	1997 2001	Ongoing	UNDP	124,919	113,114	-1,205
MOL/98/005	International financial markets and debt management	1998 2001	Ongoing	UNDP	60,800	44,343	16,800
PAL0I0AH	Capacity building in debt and financial management	2000 2002	Ongoing	Norway	262,618	60,239	60,239
PAN/95/028	Control y administración del endeudamiento publico	1995 2000	Ongoing	UNDP	434,000	429,245	7,418
PAR/95/003	Control y administracion del endeudamiento publico	1995 2001	Ongoing	UNDP	247,727	167,630	12,802
PHI/95/002	Investment programming and debt management	1996 1999	OPC	UNDP	129,120	127,359	544
ROM/94/A46	Registration and control of external debt	1994 -	Ongoing	Japan, World Bank	382,262	394,595	5,094
ROM/98/006	External Resources and Debt Management	1998 2001	Ongoing	UNDP	72,500	65,779	20,728
RWA/98/021	Renforcement des capacites du gouvernment en gestion de la dette	1999 2001	Ongoing	UNDP	154,200	132,588	52,312
STP/96/002	Renforcement des capacites de gestion de la dette au Ministere des Finances et de la planification, et de la Banque Centrale	1997 2001	Ongoing	UNDP	62,272	46,623	-15,649
SUD/96/A02	Institutional strengthening project of the Ministry of Finance	1998 -	Ongoing	Sudan	80,777	70,376	24,401
SYR/00/002	Improvement of debt management in Syria	2000 -	Ongoing	UNDP	10,000	2,215	2,215
TOG/98/005	Renforcement des capacites de gestion de la dette publique	1999 2000	Ongoing	UNDP	150,000	44,695	44,695
VEN/95/007	Gestion y control de las finanzas publicas	1998 -	OPC	UNDP	310,700	310,392	-308
VEN/99/A70	Gestion de la deuda en Venezuela	2000 2001	Ongoing	Venezuela	89,262	58,216	58,216
ZAM/99/A41	Implementation of DMFAS 5.1	1999 2000	Ongoing	Zambia	34,728	29,255	29,255
ZIM/99/A44	Implementation of DMFAS 5.1	1999 -	Ongoing	Zimbabwe	34,495	28,031	27,910
INT/91/A18	Support for the conversion of official bilateral debt	1991 -	Ongoing	Italy	399,372	382,592	4,682
INT/95/A11	Strengthening the debt management capacity of developing countries	1995 -	Ongoing	Switzerland	2,964,327	2,608,832	93,323
INT/95/A66	Strengthening the debt management capacity of developing countries	1995 -	Ongoing	Netherlands	2,075,093	1,907,005	115,861

Project number	Short title	Duration	Status in 2000	Source of funds	Total budget ($)	Cumulative expenditure ($)	Expenditure 2000 ($)
INT/95/A85	Strengthening the debt management capacity of developing countries	1995 -	Ongoing	Sweden	600,000	599,482	15,920
INT/95/A89	Strengthening the debt management capacity of developing countries	1995 -	Ongoing	Norway	1,209,878	894,993	184,281
INT/96/A58	Strengthening the debt management capacity of developing countries	1996 -	Opc	Belgium	188,911	193,939	203
INT/99/A30	Strengthening the debt management capacity of developing countries	1999 2000	Ongoing	Sweden	299,243	262,240	140,977
INT/99/A32	Strengthening the debt manaagement capacity of developing countries	1999 2000	Ongoing	Ireland	65,730	55,328	29,631
INT/99/A53	Strengthening the debt management capacity of developing countries	2000 -	Ongoing	Finland	343,672	259,171	259,171
				Subtotal: DMFAS programme	**14,760,891**	**12,345,670**	**1,913,447**
Special programmes							
PAL/96/036	Development of an industrial estate in Nablus: project feasibility, implementing strategy and environmental impact	1996 -	Ongoing	UNDP	230,000	228,946	11,497
INT/94/A37	Collection and dissemination of iron ore statistics	1994 1999	Completed	Multidonors	528,139	492,370	52,847
				Total: Special programmes	**758,139**	**721,316**	**64,344**
Total: DIVISION ON GLOBALIZATION AND DEVELOPMENT STRATEGIES					**17,240,073**	**14,563,386**	**2,228,411**

B. Division on International Trade in Goods and Services, and Commodities

1. Trade analysis

(a) Agricultural Trade Policy Simulation

30. ***Development context:*** As mandated at the end of the Uruguay Round, the Agreement on Agriculture is currently being renegotiated. Given the modest effects of the Agreement on trade liberalization, and in particular on market access for developing countries' exports, developing countries have a strong interest in participating in the negotiation process and in understanding the likely impact of negotiation proposals on their economies. The Agriculture Trade Policy Simulation Measures (ATPSM) provides them with an effective tool for analyzing the economic effects of trade policy proposals forthcoming in the WTO negotiation process on reducing agricultural protection.

31. ***Objective:*** The ATPSM project is specifically intended to assist developing countries to negotiate effectively in future multilateral negotiations on agriculture. In order to participate effectively, it is vital that negotiating positions are based on sound quantitative analysis.

32. ***Features:*** The project is designed to update and revise the ATPSM for analyzing policy options in future multilateral negotiations on agriculture. This includes to: (i) provide structural improvements to the model; (ii) update the model to reflect latest policies; (iii) broaden the scope of the model to bring some developing countries in as "policy countries"; (iv) analyze the sensitivity of the model results to the base period chosen from which further reduction commitments are negotiated; (v) assist the communication of modellers in international organizations, academia and elsewhere; (vi) improve access to the use of the model to developing countries; and (vi) facilitate the communication and dissemination of the results.

33. ***Output/results:*** The ATPSM has been substantially revised and updated. A number of simulations of various proposals for multilateral commitments with respect to agriculture have been carried out to test the revised ATPSM.

(b) Trade Analysis and Information System (TRAINS)

(i) TRAINS CD-ROM

34. ***Development context:*** Following a decision by the Trade and Development Board calling on the UNCTAD secretariat to provide, on request, information from its Database on Trade Control Measures under its own responsibility (decision 354, taken at the thirty-fourth session of the Board),

UNCTAD developed the Trade Analysis and Information System (TRAINS) and its corresponding dissemination tool, the TRAINS CD-ROM.

35. ***Objectives:*** TRAINS is an information system intended to increase transparency in international trading conditions. It is intended more specifically to provide a comprehensive information system for use by policy makers and economic operators engaged in exporting. It is also a powerful tool that can be used in trade negotiations (e.g. to monitor an integration process) and for general research on international trade. One component of the system relates to the Generalized System of Preferences (GSP) in that it includes information on tariffs, preferential margins, rules of origin and other regulations affecting the export interests of developing countries vis-à-vis the preference-giving countries.

36. ***Features:*** The TRAINS CD-ROM can be compared to a specialized library containing books on trade-related topics. It currently contains:

(a) 119 volumes of tariff schedules, 44 of which are for 2000;
(b) 39 volumes with para-tariff measures;
(c) 87 publications on non-tariff measures, produced by UNCTAD;
(d) 380 volumes on detailed import statistics by origin for 98 reporting countries, some of them for the five successive years of the period 1995-1999.

37. The software accompanying the information on the CD-ROM is designed to make the presentation and analysis of several databases compatible. It enables the user to search for and sort data, as well as to perform comparative data analysis more effectively than would be possible in a conventional library. For each of the more than 5,000 basic items in the current international trade classification, as well as for any aggregate thereof, it allows for a cross-country comparison of basic indicators on the import regime, such as tariff averages and the incidence of non-tariff measures. Likewise, it allows the same comparison to be made of import values. The further development of the TRAINS software, including the integration into it of the SMART module (System for Market Analysis and Restrictions on Trade), is being carried out in collaboration with the World Bank. A subsystem (TRAINS for the Americas) has been developed in collaboration with the Inter-American Development Bank for extension of the database with information on bilateral preferential trade agreements, as well as extended coverage of the non-tariff measures.

38. For dissemination purposes, UNCTAD has invited member States and subregional institutions to designate TRAINS focal points which, in addition to being supplied with updated information on trade control measures, serve as a channel through which UNCTAD obtains recent information on countries or regions, particularly computerized information on tariffs and trade, as well as documentation on para-tariff and non-tariff measures. Among the regional secretariats actively collaborating with UNCTAD are those of the Latin American Integration Association (ALADI), the South Asian Association for Regional Cooperation (SAARC), the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA), the Central African Economic and Monetary Community (CEMAC) and, the South African Development Committee (SADC)

Industry and Trade Co-ordination Division (SITCD). The TRAINS CD-ROM is available to other parties that make a minimum contribution to the UNCTAD trust fund created for this purpose.

39. ***Output/results/impact:*** The widespread use of the UNCTAD database, particularly in the publications of such organizations as the Organization for Economic Cooperation and Development (OECD), the World Bank and the IMF, as well as UNCTAD itself, attest to the recognition of its usefulness. That a number of universities and private sector entities have made voluntary contributions to the TRAINS trust fund is a good indication of the value of the system. Requests for the TRAINS CD-ROM have also come from Government ministries and international organizations engaged in trade negotiations under the Asia-Pacific Economic Cooperation Forum (APEC) and the Free Trade Area of the Americas (FTAA).

(ii) TRAINS for the Generalized System of Preferences (GSP)

40. ***Development context/objectives:*** The aim of TRAINS for GSP is to increase transparency on GSP and other preferential tariffs available to developing countries, and, more specifically, to facilitate the spread of up-to-date information on tariffs and para-tariffs among Mediterranean and other GSP preference-receiving countries by disseminating TRAINS to GSP focal points.

41. ***Features/output/results:*** During the period under review, with the cooperation of the preference-giving countries, updated information was incorporated into the new version of TRAINS on new and revised GSP schemes and preferential European Union tariffs for the Mediterranean countries and for countries with economies in transition. The new version was distributed to GSP focal points in spring 2001. This improved version of TRAINS will encourage the increased utilization of preferential schemes.

2. Trade negotiations and commercial diplomacy

(a) Development of trade capacities

(i) Impact of the Uruguay Round and its follow-up on selected African countries: country studies

42. ***Development context:*** While African countries are highly dependent on foreign trade, exported growth remains seriously constrained by weak production structures and their heavy reliance on a narrow range of primary exports. The policy choices and opportunities for trade expansion and integration into the global economy are being affected by the Uruguay Round results.

43. ***Objectives:*** Assist African countries in acquiring a better understanding of the impact of the Uruguay Round results on their economies and facilitate appropriate policy responses to the new obligations and to taking advantage of the new opportunities.

44. ***Outputs:*** Impact studies were prepared and finalized for Chad, Niger, Mali and Togo. The studies were discussed in national workshops, organized jointly with Governments, between May and August 2000 and attended in each case by around 30-40 participants from Government, private sector and academia.

45. ***Results:*** The studies and workshops have contributed to, in particular, increasing awareness within beneficiary countries on the importance and implications of the WTO Agreements on national economies. This will facilitate Governments in looking at necessary policy and legislative changes and to create or improve national co-ordination by national committees on the WTO.

(iii) Joint ITC/UNCTAD/WTO Integrated Technical Assistance Programme for Selected Least Developed and Other African Countries (JITAP)

46. ***Development context:*** JITAP is the integrated response of ITC, UNCTAD and WTO, in collaboration with interested international donors, to assist in the effective integration of beneficiary African countries into the international trading system. It aims at building human, institutional, policy and export strategy capacities in African countries to better understand and manage their integration into the multilateral trading system. The present beneficiaries are Benin, Burkina Faso, United Republic of Tanzania, Uganda (LDCs); Côte d'Ivoire, Ghana, Kenya and Tunisia.

47. ***Objectives:*** Implementation of a series of inter-connected activities to build national institutional and human resources capacity to understand the WTO Agreements and their development implications for each beneficiary country; enhance preparations for effective participation in regional and multilateral trade negotiations; adapt the policy and regulatory framework to the WTO Agreements; and enhance a country's capacity to take advantage of the WTO Agreements through improved export readiness.

48. ***Output:*** Joint implementation by ITC, UNCTAD and WTO of a series of inter-connected activities as follows[1]:

- JITAP Management Meeting held for East Africa in Nairobi and for West Africa in Accra in July 2000. The two management meetings facilitated the sharing of experiences, discussion of progress in implementation of activities and agreement on priority activities for the rest of the year between the JITAP beneficiary countries and the JITAP management team in the countries and in ITC, UNCTAD and WTO;

[1] These activities affect all the above listed countries except Tunisia where the programme was completed in 1999. In 2000, at the request of the Government of Tunisia, discussions were held with the UNDP, including in the context of a tripartite review meeting in June 2000 in Tunis, on a new phase of support.

- Efforts to revitalize the *Inter-Institutional Committees on WTO* (IICs) included the launching of the preparation of studies in each country on the operational aspects of the IICs and the negotiation agenda for the country. The reports will be completed and discussed in 2001 at the national and subregional levels to strengthen the IICs. The IICs act as a co-ordination and management mechanism for national trade policy adjustment, implementation of WTO Agreements and preparation for trade negotiations;
- In respect of *customs*, WTO and UNCTAD have complemented each other's technical capacities in contributing to the upgrading of national capacities (technical advice, supply of information) and in bringing customs legislation into line with WTO Agreements on customs valuation. Several technical missions were effected by WTO to countries that requested such support;
- Concerning the *adjustment of laws and regulation* to WTO Agreements, WTO provided support to beneficiary countries, upon request. A sub-regional workshop for East Africa was organized by Uganda and WTO in October 2000, and UNCTAD participated in facilitating the exchange of experience on reforming trade-related legislation;
- *Two or three Reference Centres* were established in each beneficiary country to disseminate information on the multilateral trading system to Government officials, the business community, academia, the media and the general public. These centres were provided with relevant documentation and material;
- ITC supported the building of *national trade information services* in most countries (except Côte d'Ivoire for lack of funds) develop a national network of trade information producers and providers. Trade Point mangers from JITAP countries were supported in participating in the World Trade Point Meeting in Geneva in November 2000;
- The *networking JITAP partners* progressed with the completion, under ITC's guidance, of the Communication and Discussion Facility feasibility studies, prototype design and testing and selection of the software developer. This facility will be operational in 2001 to contribute to improving links, through the Internet, between JITAP's training networks, reference centres and ITC, UNCTAD and WTO. Two multi-point video conferences, one each for the anglophone and francophone countries, were held in July 2000 to promote contacts and networking among JITAP managers and trainers in the beneficiary countries and between them ITC, UNCTAD and WTO;
- In respect of *human resource development and improvement of knowledge*, five sub-regional training of trainers workshops on specialized topics were completed between March and June 2000 with a total of 216 participants from beneficiaries. The topics covered services and international transport; tariff and non-tariff measures, trade policy review mechanism and dispute settlement; trade remedies, subsidies, and state trading; intellectual property and trade marks; and regional integration and public procurement. Some countries such as Kenya have established networks of trainers and have undertaken in-country training on various topics on the multilateral trading system.
- A *national symposium and high-level seminar* for the United Republic of Tanzania was held in May 2000. It facilitated interaction among 89 stakeholders from the trade policy community on the impact of the WTO on the country and on policy and export strategies to increase its participation in international trade including in trade negotiations. The

discussions were based on a study prepared on the impact of the multilateral trading system, another on the export matrices for the country and several papers by national resource persons from among the JITAP trainers. Studies on technology have been finalized for Ghana, Kenya, United Republic of Tanzania and Uganda. The preliminary findings of the studies were presented at the training workshop mentioned above and at a regional workshop, organized by ACTS (African Centre for Technology Studies), on globalization and trade in December (Nairobi, Kenya);

- Under ITC guidance, *export matrices on priority products and markets* for beneficiaries were completed, and follow up training of national personnel in export sector strategy development was launched; the *Trade Secrets handbook* was finalized in several countries, and publications prepared on How to Approach Banks on *export financing* on the basis of analytical studies; and Quality *Management and Export Packaging*, various Standards Bureaux in beneficiary countries were provided with equipment, study tours for its personnel and access to the 'DIN Global' Package, which is a database containing information on Standards, developed by the German Standards Institute (DIN) in Berlin;
- A mid-term evaluation of the programme was conducted in August-September 2000 by a team of external consultants including 2 representatives from the donor community. The report, among other things, commended the programme and recommended its consolidation in the beneficiary countries with a more proactive support by the Geneva agencies to partners in the field, and the expansion of the programme to a new group of countries. The report was examined by the JITAP Steering Group in December 2000.

49. ***Results:*** Understanding of WTO Agreements has improved substantially in the countries among the trade policy community. Institutional capacities for policy making, trade negotiations, export development and dissemination of information are progressively being strengthened to manage the countries insertion into the global trading system. Trade policy adjustment and adaptation of legislation to WTO obligations has progressed in some areas. The stock of economic and policy analyses available to the trade policy community has increased. Joint co-ordination by ITC, UNCTAD and WTO has improved and facilitated joint delivery of JITAP activities.

(iii) Technical assistance to countries acceding to WTO

50. ***Development context:*** In 2000, the UNCTAD secretariat pursued the implementation of its intergovernmental mandate agreed at UNCTAD IX, aimed at assisting countries in the process of accession to the WTO as part of their integration into the world economy and international trading system. At UNCTAD X in Bangkok, UNCTAD's intergovernmental mandate on WTO accessions was reconfirmed and expanded, while UNCTAD's assistance to acceding countries has greatly intensified. New developments in this area were: (a) the implementation of the UNCTAD Trust Fund Project for WTO Accessions for 2000-2001; and (b) the launching and implementation of a Project on "Enhancing the capacity of developing countries and countries with economies in transition for effective integration in the Multilateral Trading System" which is funded from the Development Account of the United Nations programme budget for the biennium 2000-2001.

51. Today, UNCTAD provides assistance, in one way or another, to 20 WTO acceding countries, including practically to all acceding LDCs. Such assistance covers all aspects of the accession negotiations, but, most importantly, is concentrated on long-term development concerns and the need to improve substantially the human and institutional capacities of acceding countries to enable them to use the WTO membership in an effective manner.

52. In providing technical assistance to the WTO acceding countries, UNCTAD maintains close contact and further develops cooperation with the WTO secretariat. The latter, in its technical note in the accession process, acknowledged that "cooperation with UNCTAD in the provision and tailoring of technical assistance has been particularly close and complementary".[2]

53. The implementation of technical assistance projects in this area focused on training of negotiators and building institutional capacities for effective conduct of multilateral trade negotiations. UNCTAD staff also undertook advisory missions in the field, to better understand countries' concerns and problems, as well as to assist in preparing complex documentation required to advance the accession progress of beneficiary countries. More efforts were also devoted to help several acceding countries to identify and establish appropriate co-ordination mechanisms between the Government and private sector during the accession negotiations. Programme staff also tested new forms of training, e.g. simulation of WTO meetings and trade negotiations, which proved to be useful and appreciated by recipient Governments.

54. ***Objectives:*** UNCTAD's technical cooperation in support to acceding countries has the following general objectives:

(1) To assist national officials in elaborating optimal policy approaches in the WTO accession process, particularly in making an inventory of relevant problems to be solved both of an internal and an external nature, including those related to the adaptation of existing and new trade-related legislation to the WTO rules and disciplines;

(2) To train national officials to strengthen their knowledge of multilateral trade negotiation techniques and tactics in order to improve their negotiating capacity;

(3) To provide advice in trade policy formulation, particularly relating to the WTO accession negotiations;

(4) To strengthen the capacities of trade-supporting national institutional structures (including private sector and academic community) through training and joint analysis of relevant problem areas.

55. ***Features:*** Technical assistance is delivered by UNCTAD through:

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[2] See WTO document WT/ACC/7/Rev.2, Technical Note on The Accession Process, 1 November 2000.

- Undertaking advisory missions and working directly with the national negotiating team;
- Assistance in preparing documentation required by the WTO accession negotiations;
- Preparation of analytical papers and briefings for national policy-makers;
- Training of national trade negotiators on specific issues under the accession process;
- Organization of brainstorming meetings and seminars;
- Diffusion of trade policy information to sensitize the civil society and the private sector in acceding countries with challenges and benefits of the WTO membership.

56. ***Output/results/impact:*** In 2000, the following outputs and results were achieved: Assistance to Algeria, Azerbaijan, Belarus, Bhutan, Cambodia, Former Yugoslav Republic of Macedonia, Kazakhstan, Lao PDR, Lebanon, Nepal, the Russian Federation, Samoa, Sudan, Viet Nam and Yemen. Activities focused on: (a) supporting the preparations of national negotiating teams for the meetings of the WTO Working Parties on Accessions, including definition of negotiating strategy and tactics, preparation of the Memorandum on the Foreign Trade Regime and written questions from WTO members; (b) assisting Governments in preparation of offers on market access in goods, commitments on agriculture and services sectors; (c) preparing reports and background papers on policies of acceding countries' trading partners members of the WTO with regard to accession and scenarios of accession negotiations; (d) providing expertise and advice on strengthening capacity building in the area of trade policy; and (e) training of trade officials in specific trade policy issues. The impact of the technical assistance provided resulted in a more effective participation of these countries' negotiating teams in the WTO accession negotiations through improved understanding of the WTO rules and disciplines and their implications for national policy options.

57. ***Results:*** Six national consultants have been recruited to support Governments in the preparatory work as part of the WTO accession negotiations.

58. Nine seminars and workshops on WTO accession were conducted in 2000 in acceding countries, of which, five in least developed countries, two in developing countries and two in countries with transition economies. About 800 officials, business representatives and academicians took part in these events. The seminars and workshops were demand driven and depended often on the timing of the respective WTO working groups on accession. Following evolution of needs and the achieved level of knowledge in the acceding countries, the activities were, whenever possible, moving away from simple lecturing and taking more often the form of brain-storming meetings and simulation of negotiations. The aim was to prepare the negotiation teams for the concrete sessions of WTO working groups and to stimulate active participation. Another tendency was to move from general issues to more in-depth exercises on specific issues such as: agriculture; WTO-consistent legislation; technical barriers to trade; sanitary and phytosanitary measures, trade in services, etc.

59. Twelve UNCTAD advisory missions were undertaken in 2000, most of which to least developed countries.

- Fourteen trade negotiators from acceding countries, including eight from LDCs, have been trained with UNCTAD secretariat on specific issues in the WTO accession negotiations (customs tariffs, services sectors, agriculture and several WTO rule-making agreements);
- Eight international consultants were recruited to undertake sectoral analyses and policy advice for a number of WTO acceding Governments in such areas as agricultural subsidies, services sectors and legislation on services, sanitary and phytosanitary measures. A CD-ROM with reference material and analysis for policy-makers from WTO acceding countries was prepared;
- Procurement of equipment and supplies was proceeding upon request of several acceding Governments.

(iv) Support to developing countries on multilateral trade negotiations

60. ***Development context:*** During the Uruguay Round of Multilateral Trade Negotiations, developing countries felt at a disadvantage, in that they did not have an agenda of their own, but were merely reacting to the proposals of their trading partners. Having recognized this weakness, they approached UNCTAD to assist them in the preparatory work relevant to their formulating their negotiating agenda for future trade negotiations.

61. ***Objectives:*** Assist developing countries in assessing and identifying their strategic trade and development interests within trade negotiation issues at the multilateral forums, in particular in the context of the WTO, as well as at the sub-regional and interregional levels.

62. ***Outputs:*** In collaboration with UNDP/UNOPS and OAU/AEC as well as several sub-regional groupings, UNCTAD implemented several studies and workshops as well as advisory missions for Sub-Saharan African countries on the WTO built-in agenda negotiations covering agriculture and services. Two sub-regional workshops on trade in services, drawing upon studies under CAPAS (Coordinated African Programme of Assistance on Services) were organized respectively in March for EAC (East African Community) countries (Kenya, United Republic of Tanzania, Uganda), together with Burundi, Eritrea, Ethiopia and Rwanda; and in June for SADC (Southern African Development Community) countries. Three workshops were held respectively on (i) agriculture and ACP-European Union trade relations under the Cotonou Agreement in November (Brussels, Belgium); (ii) WTO mandated negotiations on services in November (Geneva, Switzerland); and (iii) emerging issues in the WTO in December (Port Louis, Mauritius). Several sectoral and thematic technical papers were prepared and discussed at these workshops, which will be compiled and published in 2001. Advisory missions on Africa's participation in international trade negotiations, were undertaken to: (i) the high level seminar on instruments for trade promotion of evaluation in Central Africa in November (Douala, Cameroon); (ii) the OAU/AEC Third Trade Ministers Conference in September (Cairo, Egypt); and (iii) Third Ministerial Meeting of ACP Trade Ministers in December (Brussels, Belgium).

63. In preparation for the Third WTO Ministerial Conference and sub-regional trade negotiations, the Government of Zimbabwe, UNDP and UNCTAD organized a national conference in Harare in November 1999. The following studies were presented and discussed at the conference on Zimbabwe's position and policies in respect of: the implementation of WTO agreements; tariff policy; textile and clothing; agriculture; the adaptation to the WTO of national legislation; trade in services; and a compilation of proposals for the Third WTO Ministerial Conference adopted by various seminars/workshops organized during the course of 1999. These studies, together with the report of the national conference, were revised, edited and published in a single volume that will be disseminated among Zimbabwean trade policy community and stakeholders as reference material in their consideration of Zimbabwe's trade policy agenda.

64. ***Results:*** Building of a stock of economic intelligence on Africa's critical trade and development interests in the context of international trade negotiations at the national, sub-regional and regional levels; creating awareness and strengthening expertise among trade policy and trade negotiators in capitals, Geneva and Brussels on multilateral and regional trade negotiations; enhancing links between Geneva and Brussels-based trade negotiators to encourage coherency in approach to trade negotiations in the two fronts; and supporting strategy development as regards goods and services trade in sub-regional groupings.

(c) FRANCODE project

65. ***Objectives:*** The FRANCODE Programme is capacity building in international trade. It focuses on the training of trainers and the development of a network of francophone training centres involved in the implementation of this programme.

66. The long term objective of the programme is to strengthen the negotiating capacities of developing countries and countries in transition, with a view to allowing them to participate more effectively in multilateral trading negotiations.

67. Component I of the project (Training in the area of Multilateral Trade Negotiations) is executed jointly by UNCTAD and WTO in cooperation with the following national institutions: INDE (Bucharest, Romania); ISCAE (Casablanca, Morocco); Institut Francophone pour le développement de l'Entrepreneuriat (Réduit, Mauritius) and the Université Senghor (Alexandria, Egypt).

68. ***Output/results:*** Three types of activities have been carried out: regional workshops on multilateral trade negotiations; selection and training of trainers; support for the establishment of a francophone network of training centres in the field of international trade.

69. Four regional workshops took place in the year 2000:

- July 2000 in Bucharest – participating countries: Romania, Lao People's Democratic Republic, Viet Nam, Moldavia, Albania and Cambodia;

- September 2000 in Casablanca – participating countries: Marocco, Benin, Burkina Faso, Côte d'Ivoire, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, Togo and Tunisia.

70. The Communauté Economique des Etats de l'Afrique de l'Ouest also participated.

- November 2000 in Mauritius – participating countries: Mauritius, Cape Verde, Comores, Dominique, Haiti, Madagascar, Sao-Tome and Principe, Seychelles, Vanuatu. The Commission for the Indian Ocean (COI) also participated;
- January 2001 in Egypt – participating countries: Egypt, Cameroon, Central African Republic, Congo, Gabon, Lebanon, Chad and Burundi.

71. On the occasion of the four workshops a number of candidates were selected in cooperation with government authorities. Twelve participants at the four workshops have thus been selected. The selected candidates have been subsequently trained at a workshop on training of trainers that took place in Alexandria, Egypt in February 2001.

72. Documentation: On the occasion of the four regional workshops and of the training for trainers workshop, pedagogical material and technical documentation was distributed by UNCTAD and WTO. In each case the material was adapted.

73. From February 2001, designated trainers, having received the requisite training, will organize seminars, workshops at the country and regional level and will also be responsible for logistics and substantive support of the local training institutions. WTO and UNCTAD are associated in the organization of these events.

74. The selected regional training institutions have been fully associated in the regional seminars and in the training of trainers. They have been equipped with documentation from WTO and UNCTAD on MTN and expected to guide future work of trainers.

(vi) Trade in services - CAPAS

75. ***Development context***: The project aims at strengthening the negotiating capacity of the African GATS negotiators in Geneva and in national capitals and to assist African countries in formulating approaches for trade liberalization in services both at the multilateral and sub-regional levels. The project also aims at helping in identifying the crucial issues at the GATS negotiations in light of the desire of African countries to promote production, trade and investment in the services sector.

76. ***Objective***: The objective of CAPAS IV is to assist African countries in formulating approaches for sub-regional trade liberalization in services and strengthening their negotiating capacities in the GATS negotiations. This phase of the programme also aims at ensuring that the experience built-up during the earlier phases of CAPAS is at the service of the trade negotiators for the negotiations on services.

77. ***Features***: During the earlier phases of CAPAS, emphasis was on developing research capacities on issues relating to trade in services and on linking that capacity to national policy-making by encouraging a dialogue among national decision-makers and researchers. National studies on the strengths and weaknesses of strategic service sectors were carried out by national research teams and inter-institutional working groups as part of policy-making and capacity building efforts in the field of services. This approach can be described as a "positive agenda" approach to negotiations on trade in services. Under CAPAS, the project will focus on providing analytical instruments and training workshops aimed at allowing negotiators and trainers from African countries to acquire the knowledge, expertise and relevant experience related to the analysis and negotiations on trade in services. Periodic working groups with Geneva-based African delegates on substantive issues on the ongoing negotiations, will also be carried out, to assist them in the formulation of negotiating positions.

78. ***Output/results***: CAPAS IV was launched during the last sub-regional workshop for SADC countries held in Maseru under phase III of CAPAS. The first activity to inaugurate this phase of CAPAS was held at the end of 2000, with the support of UNDP. The workshop brought together senior African officials and sub-regional secretaries, Geneva-based delegates and the CAPAS researchers to address issues of interest for African countries in the current GATS negotiations.

(b) Preferential Arrangements

(i) Market access, trade laws and preferences

79. ***Development context:*** The reduction of MFN rates following the conclusion of the Uruguay Round, the changes to GSP rates and schemes, the implementation of WTO trade rules regulating market access conditions, the recent initiatives in favour of least developed beneficiaries and other selected group of developing countries, all represent developments that have increased the need for developing countries to be fully able to confront the challenges and exploit existing opportunities in the field of international trade and to adjust to globalization and economic interdependence.

80. In the African region, these developments have to be compared in the Post-Lomé framework with the Cotonou built-in agenda which foresees a shift in the European Union trade policy towards ACP countries from non-reciprocal to reciprocal trade arrangements. In addition, in September 2000, countries of the Southern African Development Community (SADC) started the implementation phase of their Protocol on Trade. The SADC negotiating process on tariff reductions and other relevant technical and legal issues, such as rules of origin and the dispute settlement mechanism, advanced notably over the last three years and the Community has also started negotiations on other issues, notably the liberalization of services and the elimination of NTBs and the progressive harmonization of TBT and SPS measures. All these developments provide the SADC countries with a unique challenge to improve both their political and economic relationships and to set the ground for their stronger participation in the international trading system.

81. To accompany and support these ongoing developments, there is a need to increase utilization of trade preferences granted to developing countries through multilateral (GSP) or bilateral arrangements (e.g., Cotonou, ATPA, CBI). There is also a need to enable developing country exporters and officials to negotiate on a more equal footing with their developed country counterparts and among themselves through enhanced knowledge of the laws, administrative and customs procedures relating to products of export interest to them and thereby to overcome insufficient familiarity with, or misunderstanding of, the operation of such laws and regulations.

82. ***Objectives:*** The overall aim of the *Technical Cooperation Project on Market Access, Trade Laws and Preferences* is to enable developing countries to take advantage of newly created market access possibilities through the optimum utilization of preferential trade arrangements and a better familiarization with the trade laws and regulations governing market access conditions.

83. The project has three main objectives:

(1) To increase utilization of trading opportunities and preferences under existing preferential arrangements, such as the GSP, the Cotonou Trade Regime and other bilateral arrangements, through an increased understanding and familiarization by Governments and the business community;

(2) To increase the understanding in developing countries of the trade laws and regulations governing market access conditions in the international trading system, so as to enable developing country Governments and exporters to improve their capacity to respond to the challenges and opportunities arising from trade negotiations at bilateral, regional and multilateral level, trade disputes and in utilizing preferential trade arrangements;

(3) To increase regionalization efforts and foster intra-regional trade by supporting and enabling Governments to conduct negotiations, drawing expertise from other comparable experiences in other developing regions, such as MERCOSUR, ASEAN and by carefully assessing the impact of rules of origin regulations on trade among the partner countries of the region.

84. ***Output:*** In the year 2000, advisory missions on GSP and other trade laws were conducted in Bhutan, Lao People's Democratic Republic, Nepal, the Andean Community and Mozambique. Technical cooperation activities were mainly directed at providing exporters and Governments with the necessary expertise to resolve difficulties encountered in GSP utilization, with special attention to the technicalities related to the applicable rules of origin requirements.

85. Publications under the "Generalized System of Preferences" series in 2000 included the "Handbook on the scheme of the United States of America" (UNCTAD/ITCD/TSB/Misc.58, in English/French/Spanish/Arabic/Russian), the "Handbook on the scheme of Japan" (UNCTAD/ITCD/TSB/Misc.42/Rev.1) and the "Handbook on the scheme of Australia" (UNCTAD/ITCD/TSB/Misc.56, in English and French). The revision of the handbooks on the schemes of the European Communities, Canada and Norway and of the "Digest of GSP Rules of

Origin" was also started. A special handbook on GSP for LDCs is currently being finalized and will be published in 2001.

86. Since 1988, the UNCTAD Secretariat has provided policy advice to SADC in the context of the implementation of the SADC Protocol on Trade. In particular, UNCTAD has participated in each of the monthly meetings of the Trade Negotiating Forum (TNF) – providing technical advice on several issues, such as tariff dismantling and rules of origin – and contributed to the substantive preparation and follow-up to the meetings, in collaboration with the SITCD Secretariat based in Dar es Salaam.

87. Technical assistance to SADC is delivered by UNCTAD through:

- Participation and provision of substantive support to SITCD and SADC Secretariat in addressing technical issues during the negotiations;
- Preparation of relevant papers to facilitate consensus-building and dialogue among Member States on outstanding issues;
- Establishment and maintenance of working relations and exchange of information with SITCD and individual SADC delegations;
- Providing SITCD and SADC Secretariat with assistance in the management of the meetings.

88. ***Results:*** The activities carried out under the project on the GSP are expected to increase utilization of the GSP schemes, as well as total exports, towards preference-giving countries. As a result of a better understanding of, and information on, the GSP schemes, origin regulations and other trade laws regulating market access conditions in preference-giving countries, private exporters and Governments are in a better position to exploit the opportunities provided by the GSP.

89. The activities aimed at supporting the ongoing SADC FTA negotiating process, have provided SDAC delegates with continuous analytical and technical assistance, thereby greatly facilitating the discussion particularly on the outstanding and most contentious issues, such as rules of origin and dispute settlement. UNCTAD technical assistance has been recognized as a substantial contribution to the SADC FTA process by ministers on several occasions.

(iii) The Global System of Trade Preferences among Developing Countries (GSTP)

90. ***Development Context/Objectives:*** The Agreement on the GSTP was established in 1988 as a framework for the exchange of trade preferences among developing countries with a view to promoting mutual trade. Since its entry into force in 1989, 44 countries have become participants. In accordance with a basic principle of the GSTP that it shall be negotiated step-by-step and improved in successive stages, the participating countries concluded the second round of negotiations in December 1998. The GSTP Project of UNCTAD provides substantive and administrative support to the GSTP Committee of Participants in furthering the objectives of the Agreement.

91. ***Output/Results:*** In the course of 2000, the GSTP Project extended technical support in connection with the acceptance of legal instruments covering accession and the 1998 Protocol that

embodied the results of the second round of negotiations. It also intervened to facilitate the customs clearance of preferential imports into participating countries. To maximize the opportunities available under preferential tariff concessions, the Project undertook a major review of information covering certificates of origin — a requirement for the clearance of preferential imports. It also began a major technical review of the preferential tariffs negotiated more than a decade ago with a view to assisting the Committee of Participants take decisions on furthering the objectives of the Agreement and launching fresh initiatives. Materials were prepared to help traders better acquaint themselves with the opportunities under the Agreement. The GSTP Project also serviced the meeting requirements of the Thirteenth session of the GSTP Committee of Participants.

(c) Commercial Diplomacy Programme

92. ***Development context:*** The Commercial Diplomacy Programme is a capacity-building and training programme aimed at enabling trade negotiators and the business community of developing countries *to better participate in trade negotiations at multilateral, regional and bilateral level and to increase their negotiating capacity*. The substantive and analytical inputs of this programme are drawn from the analytical work undertaken by UNCTAD on the "positive agenda".

93. General Assembly Resolution A/52/898 (15 Dec.1998) recognized the importance of supporting the negotiating capacity of developing countries and economies in transition on international trade issues and the participation in the WTO negotiations. The Commercial Diplomacy Programme was the implementation of such resolution and started to operate in June 1999. Such a mandate has been strengthened by the UNCTAD X Plan of Action (particularly paras. 129 and 164; see also paras. 130, 131 and 136). According to such mandates, the training of trade negotiators and the support to training and research institutions of developing countries in the area of trade policy-making and negotiations are the main objectives.

94. ***Objectives:*** The Commercial Diplomacy Programme encompasses the following inter-linked and mutually supportive objectives:

- Training for trade negotiators of developing countries and economies in transition, particularly in WTO on-going negotiations from the development perspective;
- Capacity-building to research and training institutions of developing countries and economies in transition on international trade issues, so as to enhance their own capacity.

95. In the design as well as the implementation, both areas of activity take into account:

(i) The specific interests of developing countries and economies in transition in the preparation of international trade negotiations;

(ii) The analytical studies, technical work and research, realized in the Trade Negotiations and Commercial Diplomacy Branch in relation with the "positive agenda" and the results of UNCTAD Expert meetings;

(iii) The regional diversity among developing countries and the co-ordination and cooperation with existing national, international and regional organizations involved in training and research on international trade, to avoid duplication of efforts.

96. ***Output:*** In the year 2000, the Commercial Diplomacy Programme designed and organized 18 training and capacity-building events at the national, sub-regional and regional level in developing countries, as well as in Geneva. These include: (i) Training programs in African countries, (Las Palmas, March), with the participation of 25 trade and technical cooperation officials of French and English-speaking African countries; (ii) Training seminar for trainers on trade in services (Entebbe, March) with the participation of 20 trainers, trade officials and businessmen from Uganda, United Republic of Tanzania and Kenya; (iii) Seminar on market access for Andean exports to the European Union (Lima, March), with the participation of 30 export promotion officials and businessmen; (iv) Simulation exercise on negotiations on SPS and GMOs (Buenos Aires, April), with the participation of 25 Latin American trade negotiators and academics; (v) Training seminar on the Andean countries and the post-Seattle negotiations (Lima, May), with the participation of 30 trade officials and businessmen; (vi) Training seminar on the WTO negotiations on agriculture and simulation exercise (Caracas, June), with the participation of 150 Venezuelan Government officials, businessmen, experts, journalists and NGOs; (vii) Training and practical exercise on negotiations for WTO accession, (Khartoum, June), with the participation of 15 Sudanese trade officials; (viii) IVth training course for 50 junior diplomats of Central America, Mexico, and Caribbean Countries (Mexico, June); (ix) Training seminar on WTO negotiations (Bucharest, July), with the participation of 20 trade officials and trainers of French-speaking countries; (x) Workshop on emerging trade issues in international trade: The GMOs (Geneva July), with the participation of 60 Geneva-based delegates and trade/agricultural officials; (xi) Simulation exercise on trade in GMOs (Geneva, July), with the participation of 20 Geneva-based delegates and trade/agricultural officials, (xii) Workshop "Research Needs in WTO issues" and dispute settlement for Chinese academics (Geneva, August) with the participation of 35 Professors from Chinese Universities; (xiii) Training workshop on WTO negotiations in agriculture (Geneva, September), with the participation of 8 Bolivian trade and agriculture negotiators; (xiv) Training seminar on the international trade agenda international (Casablanca, September), with the participation of 20 African French-speaking trade officials; (xv) 2nd Regional Meeting on Research and Training Needs in International Trade (New Delhi, November), with the participation of 20 Asian Training and Research Institution officials; (xvi) Seminar on International Trade Negotiations for French-speaking countries (Mauritius, November-December), with the participation of 20 French-speaking countries; (xvii) Training Workshop on international trade issues for African trade policy-makers and negotiators (Mauritius, December), with the participation of English-speaking Africans Trade officials and regional secretariats, (xviii) Seminar on "Trade Talks – Role of Developing Countries" (Singapore, December), with the participation of 25 officials from the Asian region.

97. Each activity had specific features (since the Programme does not rely on a standardized model and is focused on a tailor-made approach) based on:

- The permanent updating of the training and capacity-building activities;
- The language required in each case (English, French or Spanish);
- National or sub-regional scope (e.g. at the country-level or for a group of countries);
- Specific or generic agendas (e.g. on one or more WTO issues);
- The needs of the audiences (different level of knowledge and different responsibilities in trade policies and trade negotiations);
- Different training methods, including simulation of negotiations, depending on the needs, the time and the resources available.

In general, the impact is greater and more visible when the content of the training and capacity-building is more directly linked to on-going WTO negotiations, while the activities that concern global topics and medium-term objectives have a different impact from the point of view of the negotiating capacity of the beneficiary countries.

98. ***Results:*** The negotiating capacity (and the "proposal capacity" of developing countries is clearly increasing as a result of the overall UNCTAD capacity-building activities on WTO-related issues. The participation and the active involvement of developing countries in the WTO on-going negotiations, as well as the quality of their proposals and preparation, reflects the impact of the training and capacity-building activities on the trade agenda. This impact is evident in Geneva, at the mission level, as well as in national capitals, where the trade policy-makers are increasingly able to identify their interests and negotiating objectives. The main benchmarks used are: the participants' comments on the relevance of the training event for their professional tasks; the link of the topics covered with the on-going or forthcoming regional or multilateral negotiations; the similarities between the simulation or practical exercises and the real negotiations; the comprehension of the topics presented; the contribution to the participants' research and analytical capacity; the scope of the dissemination of the UNCTAD analytical work; the quality and usefulness of the training material from the point of view of the participants; the quality of the debates and the exchange of experiences.

3. Commodities

(a) Capacity building for diversification and commodity-based development

99. ***Development context:*** World trade in high value commodities is rapidly growing. These include, in particular, foodstuffs that could easily be supplied by commodity dependent developing countries, and processed forms of many products currently exported by them in an unprocessed stage. Industrialized countries and a small number of developing countries have been generally successful in exploiting these dynamic and lucrative markets, while others, particularly LDCs and African countries, have been left behind. The enterprise sector in this second group of countries has been unable to adapt itself to the liberalized and more exigent trading environment, and its needs for support are not effectively prioritized. Government policies also need to be reviewed in the current trading framework, and support that could be provided with the meagre resources of the Governments

need to be selective and focused. Civil society and institutions also have a crucial facilitating role in the diversification process.

100. There is, therefore, a need in commodity dependent developing countries for:

(i) Capacity-building in enterprises to adapt export diversification strategies and business practices to modern market exigencies;

(ii) Improving effective partnerships between enterprises and banks and other finance providers;

(iii) Capacity-building for Governments to design and implement focused and sequenced policies and measures that deal with the most important bottlenecks;

(iv) Increasing the effectiveness of local institutions and civil society in ensuring that the more disadvantaged segments of the population are involved in the diversification process with a view to reducing poverty;

(v) Increasing national food self-sufficiency and regional trade.

101. ***Objectives:*** The project aims (i) to promote the horizontal, vertical and geographical diversification of production and trade structures; (ii) to improve Government's capacities to formulate focused, effective and sequenced policies in this respect; (iii) to increase the competence of enterprises in adapting their business strategies and supplies to the Post-Uruguay Round trading framework; and (iv) to strengthen positive linkages between the commodity sector and the rest of the economy.

102. ***Output:*** Immediately after the launching of the project in the second quarter of 2000, preparations for seven regional workshops were embarked upon. The workshop on "Growth and diversification in mineral dependent countries" was held in Cape Town from 7 to 9 November 2000. The workshops to be held in 2001 are "horticultural sector growth and development" (one for Anglophone and one for Francophone African countries), "food export sector in Central America", "commodity export diversification and poverty reduction in Asia", "promoting growth and export opportunities in the fisheries sector of Africa", and "prospects and challenges for commodity based development in the South Pacific".

103. As of the beginning of 2001, 25 policy-oriented studies and training notes had been commissioned. A special effort was made to involve consultants and resource persons from developing countries. Thus, 19 of the 25 consultants who have so far been engaged are from developing countries.

104. ***Results:*** The results of this capacity building programme are expected to be observed after the participants have had the time to implement the results of the workshops and apply the training that was provided to their daily activities. The immediate impact of the workshop has been requests for specific follow-up activities from two participating countries.

105. Increasing national food self-sufficiency and regional trade: The high proportion of developing country consultants is a positive externality of the project in terms of capacity building in developing countries.

106. With a view to promoting transparency, making the material prepared for the workshops as well as the results thereof available to anyone interested, and facilitating interaction among a wide audience, a dedicated window has been opened in the portal Infocomm (http://www.unctad.org/infocomm/diversification/). All agendas and relevant material commissioned for the regional workshops are being posted on this website. Through this dedicated window, on-line access to relevant information as well as the opportunity to continue and expand the exchange of views is being offered.

(b) Commodity information and risk management

107. ***Objective/features:*** The main objective of work in the area of information, risk management and structured finance is to improve the use made of modern risk management and financing techniques in the commodity sector. This not only makes important cost savings possible, but also allows Governments, para-statals and private sector entities to plan and manage more efficiently. The programme involves the publication of analytical studies, statistical information and manuals, policy advice and training.

108. ***Output/results:*** Infocomm – Market Information in the Commodities Area – is an attempt to respond to the acute need of commodity dependent countries for information on commodities. In order to respond to this need, an international electronic portal (http://www.unctad.org/infocomm) has been developed to promote market transparency, improve the understanding of commodity structures and facilitate access to the analysis vital to the adoption of sound policies and strategies on commodity production, marketing, processing and financing. Information on commodity marketing structures as well as relevant links will be added progressively. In the end of 2000, information on olive oil and platinum was already available. Within this portal, an overview of selected emerging exchanges in countries such as Peru, Romania, Poland and South Africa has been developed in collaboration with the Association of Futures Market and several links regarding electronic trade were identified.

109. In the area of commodity marketing, risk management and finance, a major event organized in Africa was the fifth African Oil and Gas Trade and Finance Conference, held in March 2000 in Accra, Ghana. Around 120 people participated from throughout Africa, including several Government ministers, and key officials from most African petroleum importing and exporting companies. The conference, which was funded by private sector sponsorship, and the Government of Ghana, addressed the interface of the oil and finance sectors, and the prospects in offshore exploration in the Gulf of Guinea. Training on risk management was provided for the participants in cooperation with the New York Mercantile Exchange. Furthermore, documents were distributed at an UNCTAD-

organized workshop in the Burgenstock futures exchanges conference, relating to emerging commodity exchanges world-wide, and particularly to those in Africa.

110. In Asia, work with the Governments and private sector of India and Indonesia on commodity exchanges and innovative commodity financing mechanisms continued. UNCTAD contributed to the technical assistance provided by the International Task Force on Risk Management. Moreover, policy advice to the Government of India, and advice on legal and regulatory reforms needed for proper management of commodity exchanges continued under a World Bank-financed programme.

4. Trade, environment and development

(a) General

111. ***Development context:*** UNCTAD X stressed the need to identify policies to address major constraints faced by many developing countries in responding to environmental challenges, such as lack of technical, financial, institutional and supply capacities, taking into account the environmental and developmental conditions of each country. It called upon UNCTAD to identify specific capacity building needs of developing countries and to promote a broad programme of capacity building on Trade, Environment and Development (paragraph 146). Furthermore, the Plan of Action called upon UNCTAD to identify issues that could yield potential benefits to developing countries, including with regard to the link between public health and development (paragraph 147). UNCTAD X substantially enlarged UNCTAD's mandate in the area of trade and environment, and consequently its technical cooperation activities, including in areas such as traditional knowledge, biotechnology and public health.

112. ***Objectives:*** The programme aimed to:

- Facilitate dialogue between trade, environment and development communities; strengthen capacities for policy analysis and trade and environment policy co-ordination in developing countries;
- Identify policies to address major constraints faced by many developing countries in responding to environmental challenges as well as to identify issues that could yield potential benefits to developing countries, including with regard to the link between public health and development;
- Support the effective participation of developing countries in international deliberations on trade and environment.

113. ***Features:*** Important features of the programme included:

- Close interaction with the intergovernmental work programme and secretariat research;
- Broad geographical coverage;
- Special attention to LDCs;
- Broad coverage of issues;

- Participatory approaches using local research and the capacity of non-governmental organizations;
- Close cooperation with other intergovernmental organizations, in particular UNEP, WTO, WIPO and WHO. Of great importance is the creation of the UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF);
- Networking with other institutions and civil society.

114. ***Output/results*:** During the year 2000, two meetings were held under the project entitled Strengthening Research and Policy-Making Capacity on Trade and Environment in Developing Countries (INT/98/A61). Launched in 1999, the project assists ten developing countries (Bangladesh, Brazil, Costa Rica, Cuba, India, Philippines, South Africa, the United Republic of Tanzania, Tunisia and Uganda) to (a) deepen their understanding of the complex linkages between trade and environment; (b) improve policy co-ordination at the national level; and (c) participate effectively in multilateral deliberations on trade and environment in the WTO, UNCTAD and other forums. The project is funded by the United Kingdom Department for International Development (DFID) and being implemented in collaboration with the Foundation for International Environmental Law and Development (FIELD).

115. One of the workshops held in Havana, Cuba in May 2000. Participants presented papers on a range of issues including biodiversity, traditional knowledge, market access, technology transfer, domestically prohibited goods, and trading opportunities and constraints for organic agricultural products and other environmentally preferable products. Two papers from this workshop were subsequently submitted to the WTO Committee on Trade and Environment. In-depth studies of several of these issues were also commissioned for and presented at the workshop. In November 2000, a roundtable was held in London, England. This allowed developing country participants to exchange views with representatives of developed countries, particularly the United Kingdom.

116. Some studies were completed under the project "Standards and Trade". The two main objectives were: to enhance understanding of the potential trade barrier effects of environmental, sanitary and health requirements and to identify policies at the national and international levels aimed at avoiding that such measures have unnecessary adverse economic effects on developing countries. Other studies were also initiated.

117. The secretariat completed all substantive activities under project "Trade, Environment and Investment". The project explored the actual and potential contribution of TNCs with a high level of environmental sophistication to promoting sustainable development in host countries, including in the context of multilateral environmental agreements. A series of case studies were carried out in China, India and Malaysia by the Institute for Environmental Management and Business Administration (IEMBA) of the European Business School in collaboration with research institutes in the three host countries, with UNCTAD providing substantive support to the process. The final findings of the case studies were the subject of discussion at a meeting organized by UNCTAD in Geneva in June 2000.

118. In October 2000, the Ministry for the Environment of Germany, in cooperation with the IEMBA and UNCTAD, held a conference entitled "Rio+10 Transparency Initiative". The Conference revisited the case studies with a view to defining the possible scope for a second phase of the project, in the context of the 2002 review of UNCED. An environmental organization in Spain – Fundación Ambiental – expressed interest in pursuing a similar initiative with a select group of Spanish TNCs operating in Argentina, Brazil and Chile. UNCTAD had been providing substantive support to both initiatives, which, in an optimistic scenario, may feed into the preparations for the World Summit on Sustainable Development.

119. UNCTAD completed the analytical phase of a regional Asian project aimed at creating a multi-stakeholder forum assisting the Philippine Government on shaping and implementing a comprehensive national strategy on environmentally sound and economically viable management of lead, including sound lead recovery. The first session of the forum took place on 5-6 February 2001. It identified the objectives of the forum process, the elements of the comprehensive national strategy and a work programme for two further forum sessions.

120. In the context of a project on building national capacity of rapidly industrializing developing countries in sustainable management of recoverable material resources, including waste minimization and use of clean technologies, UNCTAD co-sponsored a workshop on environmental technology assessment, organized by UNEP, the Carld Duisberg Foundation in Germany and the International Lead Management Center. UNCTAD organized and chaired the session on the economics of sustainable lead recycling and the related use of economic instruments. The meeting took place from 22-25 February 2000 in Manila and was attended by almost 50 participants from 11 Asian countries, including representatives of Environment and Industry Ministries, the private sector, NGOs and academia. The meeting explored useful practical approaches for assessing cleaner technologies and assisting in their use. The workshop used the case of recycling of vehicle batteries as illustrative example.

121. The fourth UNCTAD International Rubber Study Group workshop on the opportunities and constraints for internalizing environmental costs and benefits in prices of rubber and rubber goods was held in Antwerp, Belgium, on 9-10 November 2000 on reconciliation of trade and environment policies. About 160 representatives from Government, the business community and research institutes from rubber producing and consuming countries participated. The workshop centered on the Europe's experience with the use of economic and regulatory instruments for encouraging sound scrap tyre management and the opportunities for carbon offset funding for natural rubber plantations as carbon sinks in the context of the Kyoto Protocol of the UNFCCC.

122. Strengthening capacities for trade and environmental policy co-ordination was a main aim of two national projects launched in 1999 in India and Viet Nam. A good deal of activities focused on (a) organic agriculture and (b) traditional knowledge. Analysis on organic agriculture in India focused on tea, coffee and pepper. Subsequently, UNCTAD also commissioned a study on rice. Research was largely based on interviews with growers, focusing on issues such as supply factors (yields, costs), availability of price premiums and profitability. Interviews were also conducted with industry

associations and the Government of India, focusing on policies aimed at promoting production and exports of organic food. UNCTAD organized a workshop on organic tea in Darjeeling on 11 May 2000. Workshops on organic spices and organic coffee were organized in cooperation with the Spices Board and the Coffee Board, in Cochin on 23 August 2000. Studies were also carried out in Viet Nam with regard to traditional knowledge.

123. The TRAINFORTRADE 2000 course on Trade, Environment and Development was validated in Dar-es-Salaam, in July 2000. Subsequently, a training seminar was held in Hanoi, focusing on organic agriculture and traditional knowledge. This training package was composed of seven modules:

- Trade, environment and development in the international context;
- Trade and environment and the multilateral trading system;
- Environmental policies and market access;
- Environmentally preferable products;
- Trade related multilateral environmental agreements;
- International standards for environmental management systems, particularly ISO 14001;
- Traditional knowledge, trade and development.

124. Of great importance was the creation of the UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF). CBTF activities are demand-driven and based exclusively on requests in the form of project proposals. During the third-quarter of 2000, national institutions (both governmental and nongovernmental) from developing countries and countries with economies in transition, prepared and submitted project proposals to the CBTF on thematic research, country projects, training and policy dialogue. Over 25 countries responded with 40 project proposals. Due to the contributions of a number of donors UNEP and UNCTAD launched a first round of seven CBTF projects at the national level in Costa Rica, Cuba, Indonesia, Lebanon, Mexico, Venezuela and Viet Nam. In addition, UNEP and UNCTAD allocated part of the financial resources received from donors for a regional training workshop for African LDCs, to be held in 2001.

125. Many papers and studies, both published and unpublished, have been made available on the new Trade, Environment and Development Section Web site, which was launched in 1999. (http://www.unctad.org/trade_env/index.htm) This Web site is a capacity building tool in and of itself. It is a rich source of information on the main trade and environment issues of interest to developing countries and UNCTAD's multitudinous activities in this field.

(b) The BIOTRADE Initiative

126. ***Development context*:** Many developing countries are endowed with rich and highly diverse biological resources which provide a wide range of products and services. Developing countries which seek to use biological resources as a tool for development could promote bio-resource industry by creating a critical mass of technical and entrepreneurial skills, involving research and development

and marketing of biological resources. To ensure that the benefits generated by biological resources can be provided to future generations and contribute to development, these resources should be used sustainably. Unfortunately, due to many factors Governments, private sectors and local communities have failed to provide sufficient incentives to preserve biological resources. Examples of such factors are: uncertain property rights, the lack of entrepreneurial and financial resources, and political, economical and technological risks.

127. In light of the above, and in the context of the call in the Convention on Biological Diversity (CBD) for the linking of trade, biodiversity conservation and sustainable development in a mutually beneficial way, UNCTAD launched the BIOTRADE Initiative in November 1996.

128. ***Objectives:*** The BIOTRADE Initiative aims at stimulating investment and trade in biological resources as means of furthering the three objectives of the CBD: i) conservation of biodiversity; (ii) the sustainable use of its components; and (iii) a fair and equitable sharing of benefits rising out of the utilization of genetic resources.

129. The initiative's ultimate objective is to enhance the capability of developing countries to sustainably use their biodiversity to produce new value-added products and services for both international and domestic markets.

130. ***Features:*** The initiative collaborates with the private sector, local and indigenous communities, Government and non-governmental organizations and academia. The BIOTRADE Initiative is an integrated programme consisting of three complementary and mutually reinforcing components: BIOTRADE country programmes, trade promotion, market research and policy analysis, and Internet services.

131. ***Output/results***: In 2000, activities were developed under the project "Implementation of the BIOTRADE Initiative in the Amazonian Region", a three year project (2000-2002) financed by the UN Foundation (UNF), through the UN Foundation for International Partnerships (UNFIP).

132. BIOTRADE country programmes, an important component of this project, were initiated in Ecuador and Peru, with support of the Governments, national NGOs, private sector associations and the UNDP. The Colombian country programme – "Biocomercio Sostenible" – commenced operations in 1999 and developed along the following lines: networking, information systems, business development, market information, investment and financial mechanisms. A number of demonstration projects that bring together community and private sector efforts were started in the area of medicinal plants and eco-tourism in the Pacific coast and the Amazonian and Andes regions of the country.

133. Programme Bolsa Amazonia (Belem, Brazil), a second important component of the UNF project, helps local communities seize bio-business opportunities for natural products of the Amazonian region by forging links with the private sector, and initiated a number of activities geared toward regional cooperation. The programme started to work on the development of the programme in other countries of the Amazonian region, particularly Bolivia, Colombia, Ecuador, Peru and

Venezuela. To this end, a regional workshop was organized in Quito, Ecuador, which also saw the launching of Programme Bolsa Amazonia Ecuador.

134. Programme Bolsa Amazonia also started preparations for a postgraduate course on sustainable business management, held in spring 2001. Participants and professors for this three months course were drawn from all the Amazonian countries. Finally, the programme initiated work with regional partners on a market information system for biodiversity products and services from the region.

135. A joint project of UNCTAD, the Andean Development Corporation (CAF) and the Andean Community (CAN) was initiated in support of BIOTRADE in the Andean Countries. The project includes support to a series of five regional workshops and studies on specific issues and products of biodiversity and trade. These activities help in the implementation of the Andean Biodiversity Strategy and promote the start-up of business initiatives in the context of the BIOTRADE country programmes.

136. Other activities carried out in 2000 include: Programme formulation missions to develop a BIOTRADE country programme in Venezuela; a book on aspects related to trade in biodiversity products and services was published in December 2000 in cooperation with the Alexander von Humboldt Institute, the national counterpart of BIOTRADE; activities to explore expansion of the BIOTRADE programme to other regions, such as in West Africa, Southern Africa and in the Himalayas (Bhutan and Nepal); cooperation with the International Trade Centre (ITC) in Geneva, in order to help countries bring biodiversity products and services to the market.

(c) Development of a global greenhouse gas (GHG) emissions trading system

137. ***Development context:*** Following the work undertaken by UNCTAD since 1991 for the development of a Plurilateral GHG Emissions Trading system, a three year project (1999-2001) financed by the UN Foundation (UNF), through the UN Foundation for International Partnerships (UNFIP) focuses on providing needed assistance to Governments and other international stakeholders to formulate and implement a GHG emissions trading system within he context of the international climate change regime. The project was formulated in response to the decision in Article 17 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC).

138. ***Objectives:*** This project continues to provide ongoing support to interested Governments, private sector and non-governmental organizations in the development of, among other things, technical assistance for capacity building, in particular, in developing countries and countries with economies in transition for their active involvement in the climate change regime. It also contributes to the research on the trade and investment implications of, as well as linkages among, international emissions trading, the Clean Development Mechanism, Joint Implementation and national policies and measures in the field of climate change.

139. ***Features/outputs/results:*** The main outputs of 2000 included: (i) the publication and extensive distribution (3000) copies of the report "The Clean Development Mechanism: Building International Public-Private Partnerships under the Kyoto Protocol" (joint effort by UNDP, UNEP, UNIDO where UNCTAD led the research); (ii) one major international conference "The 4th Session of the UNCTAD/Earth Council Policy Forum" (Denver, USA, July/August); (iii) development of an inventory system accounting of carbon emissions (jointly with technical experts); (iv) the publishing of various research papers on issues ranging from: voluntary participation, the size of the markets, legal implications and developments in trading schemes among the European Union; (v) newsletter; (vi) and maintained the Web site.

140. ***Other activities included:*** Some project activities initiated in 2000 will actually be completed in 2001 which include: plan and convene 5th Session of the Policy Forum to be held from 29-31 August in Rio de Janeiro, Bilateral Workshop in Bonn, Germany from 12-13 July, Workshop for countries with economies in transition also scheduled for July, Emissions Training Manual to be tested in several Workshop, three more issues of the newsletter, maintenance of the Web site, research into the trade and investment impacts of the Kyoto Protocol and a Guide dealing with tax and legal aspects of emissions trading.

5. Competition law and policy and consumer protection

141. ***Development context:*** Strengthened competition enhances the overall economic efficiency and significantly improves prospects for sustained economic growth and development. The worldwide implementation of fundamental market-oriented economic reforms has unleashed considerable competitive forces, which play a key role in ensuring the success of the reforms and need to be supported by the appropriate rules of the game. However, despite a general widespread trend towards the adoption, reformulation or better implementation of competition laws and policies in developing countries and economies in transition, many of these countries still do not have up-to-date competition legislation and policies or do not apply them with full effectiveness and request technical assistance in this area. In this connection, the UN Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices calls for the provision of technical assistance, advisory and training programmes, particularly to developing countries. Furthermore, at UNCTAD X, UNCTAD was given a mandate to continue and expand its help to interested countries in developing their national regulatory and institutional framework in the area of competition law and policy.

142. ***Objectives:*** The programme aims at assisting developing countries in formulating or reviewing competition policies and legislations, contributing to the building of national institutional capacity in this area and at providing government officials and private entrepreneurs with a better understanding of competition laws and policies.

143. ***Features:*** Assistance is provided in accordance with requests received, needs of countries concerned and resources available. The main types of technical cooperation activities can be described as follows:

(a) Provision of information about restrictive business practices (RBPs), their existence and possible adverse effects on the economy. This may involve a study on RBPs in a specific country;

(b) Introductory seminars directed at a wide audience including government officials and academics, as well as business and consumer-oriented circles;

(c) Assistance to States which are in the process of drafting competition legislation in the form of provision of information on such legislation in other countries or advice on drafting;

(d) Advisory services for the setting-up of a competition authority, which usually includes training of officials responsible for the actual control of RBPs and may involve training workshops and/or on-the-job training with competition authorities in countries having experience in the field of competition;

(e) Organization of seminars for States which have already adopted competition legislation, have experience in the control of RBPs and wish to consult each other on specific cases and exchange information;

(f) Assistance to States which wish to revise their competition legislation and seek expert advice from competition authorities in other States, so as to amend their laws in the most effective manner possible;

(g) Assistance in the area of creating a "competitive culture" and preparing developing countries, including the LDCs as well as economies in transition, for future multilateral negotiations in this area.

(i) National activities

144. ***Output/results:*** In 2000, technical assistance related to preparation, drafting or revision of national competition legislation was provided to Botswana, Viet Nam, Thailand, Kenya, Zimbabwe, Namibia, Benin, Burkina Faso, Mali, Mauritius, South Africa, Dominican Republic and Ecuador. In particular, in the case of Mauritius, discussions were held between UNCTAD officials and representatives of the Government of Mauritius and the private sector relating to a draft competition bill, earlier prepared in consultation with UNCTAD. Also, in parallel with the work on elaborating a common approach to competition policy for the member States of the Common Market for Eastern and Southern Africa (COMESA), individual member States were assisted in introducing procedures for the enforcement of national competition legislation compatible with the COMESA common competition policy.

145. A national seminar on the implementation of the Zambian Competition Act was organized in July 2000 in ***Livingstone***, Zambia. The seminar, which followed a similar one held in 1999 in Lusaka, allowed the review of progress being made in the implementation of competition policy in Zambia

and to share experiences among competition experts from the COMESA and SADC regions. A training course, held October–November 2000 in Bamako, Mali, acquainted a wide range of participants from Mali and neighbouring countries with specific problems of implementing competition policy, considered in the training manual developed by UNCTAD, as well as allowed to initiate the building of local training capacity in the area of competition law and policy. A seminar on "Safeguarding competition in a market economy" was held in October 2000 in Hanoi, Viet Nam. This seminar, sponsored by the German Foundation for International Economic Development (DSE) in cooperation with UNCTAD, was organized within the framework of assistance to the Government of Viet Nam in adopting national competition and consumer protection legislation, reviewed all major competition issues and took advantage of UNCTAD's new Model Law on Competition.

(ii) Regional and subregional activities

146. ***Output/results:*** In Asia, in cooperation with the Monopolies and Restrictive Trade Practices (MRTP) Commission of India and Consumer Unity and ***Trust*** Society (CUTS) of India, UNCTAD held a Regional Seminar on Competition Policy for Asia-Pacific Region (Jaipur, India, 13–15 April 2000). The seminar discussed specific issues related to participating countries experiences, instruments of cooperation in competition area, problems of competition and international trade as well as competition and multilateral action for development. It also had an opportunity of discussing the results of UNCTAD X and adopted the "Jaipur Declaration", containing specific recommendations for action by the Fourth UN Conference to Review All Aspects of the Set (Geneva, 25–29 September 2000).

147. In Africa, a Regional Seminar on Competition Law and Policy was organized 18–19 July 2000 in Casablanca by UNCTAD in partnership with the Ministry of General Affairs of the Government of Morocco. Another African Regional ***Seminar*** on Competition Law and Policy for COMESA and SADC member States was organized jointly by UNCTAD and the Zambia Competition Commission on 24–25 July 2000 in Livingstone, Zambia. Both seminars adopted Declarations, containing a number of interesting proposals which were submitted and further discussed at the Fourth Review Conference.

148. UNCTAD also discussed with the Commission of the West African Economic and Monetary Union (UEMOA) various problems related to the application of the common competition legislation in the UEMOA area.

149. In Latin America, a Regional Seminar on Competition Law and Policy for Latin America and the Caribbean was organized 30 August – 1 September 2000 in San José (Costa Rica) by UNCTAD in cooperation with the Commission for the Promotion of Competition of Costa Rica and ECLAC. The seminar contributed to the exchange of information and experiences among competition authorities of countries having experience in competition field with representatives of countries which still do not have competition law and Authority. It also allowed the participants to update their

knowledge of the international developments in the competition policy, acted as a regional preparatory body for the Fourth Review Conference and agreed on the "San José Declaration".

150. In cooperation with the Antimonopoly Committee of Ukraine and the European Commission, UNCTAD also organized the Regional Conference on Competition for Commonwealth of Independent States (CIS) countries and countries of Central and Eastern Europe, held in Kiev (Ukraine) on 13–14 July 2000. The Conference reviewed various issues related to competition legislation and policy, individual country developments and elaborated recommendations to the Fourth Review Conference, contained in the "Kiev Declaration".

B. DIVISION ON INTERNATIONAL TRADE IN GOODS AND SERVICES, AND COMMODITIES

(in US Dollars)

Project number	Short title	Duration	Status in 2000	Source of funds	Total budget	Cumulative expenditure	Expenditure 2000
Trade analysis							
INT/90/A07	TRAINS: Development and dissemination of selected computerized trade data	1991 -	Ongoing	Multidonors	327,546	275,548	16,614
INT/98/A60	Agricultural Trade Policy Simulation Model	1998 2001	Ongoing	United Kingdom	178,680	84,980	15,739
				Total: Trade analysis	**506,226**	**360,528**	**32,353**
Trade negotiations and commercial diplomacy							
ALG/98/001	Elaboration d'un programme d'appui a l'adhesion de l'Algerie a l'OMC et a son association à l'Union européenne	1998 2001	Ongoing	UNDP	235,000	56,100	-4,311
BEN/98/A51	Suivi des accords de l'OMC et amelioration des debouches internationaux pour les entreprises exportatrices du Benin	1998 2000	Ongoing	ITC	407,080	75,129	35,070
BKF/98/A52	Suivi des accords de l'OMC et évaluation des débouchés internationaux pour les entreprises du Burkina Faso	1998 2000	Ongoing	ITC	315,930	79,797	29,982
BYE/94/003	Support of negotiations on accession to GATT	1994 2000	Ongoing	UNDP	93,435	91,865	-36
GHA/98/A54	Follow-up to the WTO Agreements and exploitation of business opportunities by Ghanaian enterprises	1998 2000	Ongoing	ITC	344,248	97,528	42,570
IVC/98/A53	Suivi des accords de l'OMC et evaluation des debouches internationaux pour les entreprises exportatrices ivoiriennes	1998 2000	Ongoing	ITC	306,194	83,859	43,409
JOR/97/006	Support for Jordan's integration into the global economy	1999 2000	Ongoing	UNDP	19,797	17,938	-1,859
KAZ/98/001	Support of Kazakhstan accession to the WTO	1998 2000	Ongoing	UNDP	120,000	126,798	25,005
KEN/98/A55	Follow-up to the WTO Agreements and exploitation of business opportunities by the Kenyan enterprises	1998 2001	Ongoing	ITC	400,885	115,878	33,643
MAG/98/A10	Appui au developpement du commerce exterieur de Madagascar	1998 2001	Ongoing	France	84,459	57,659	7,716
MON/97/113	Support to the Government in its initial phase of membership in the WTO	1997 2001	Ongoing	UNDP	40,000	36,326	11,875
MOZ/00/003	Elaboration of national strategies for better participation and understanding of the WTO and SADC negotiation and implementation process	2000 2001	Ongoing	UNDP	86,000	57,204	57,204
NEP/96/010	Nepal's Accession to the WTO	1997 2002	Ongoing	UNDP	831,358	466,729	121,419

Project number	Short title	Duration	Status in 2000	Source of funds	Total budget ($)	Cumulative expenditure ($)	Expenditure 2000 ($)
SAM/00/001	Trade policy and export-oriented strategies for the effective integration of Samoa into the multilateral trading system	2000 2001	Ongoing	UNDP	30,000	16,539	16,539
SAU/00/007	Support for Saudi Arabia in developing commercial diplomacy	2000 2001	Ongoing	Saudi Arabia	10,000	1,917	1,917
TUN/96/007	Mise à niveau des capacités nationales pour gérer le nouveau système commercial multilateral	1997 2001	Ongoing	UNDP	31,705	9,035	4,251
UGA/98/A58	Follow-up to the WTO Agreements and exploitation of business opportunities by the Ugandan enterprises	1998 2001	Ongoing	ITC	389,381	146,137	54,923
URT/98/A56	Follow-up to the WTO Agreements and exploitation of business opportunities by the Tanzanian enterprises	1998 2001	Ongoing	ITC	476,991	148,933	66,519
VIE/95/024	Capacity development for effective and sustainable integration into the international trading system and promotion of trade efficiency	1996 2000	Ongoing	UNDP	640,976	639,676	1,700
ZIM/99/002	Implications of the Uruguay Round and other subregional agreements on the economy and external trade of Zimbabwe	1999 2001	Ongoing	UNDP	67,800	58,967	6,341
INT/84/A01	GSP - Technical Assistance Programme	1984 -	Ongoing	Multidonors	3,507,495	3,633,630	7,989
INT/90/A19	Negotiations for a GSTP among developing countries	1990 -	Ongoing	Multidonors	1,746,974	1,280,666	139,098
INT/93/A34	Trade relations and economic cooperation in the Mediterranean region	1993 2001	Ongoing	Italy	598,454	560,553	5,050
INT/97/A06	Technical cooperation on market access, trade laws and preferences	1997 2001	Ongoing	Italy, China, European Commission	1,004,122	675,377	230,855
INT/98/A30	European Commissions support to the technical cooperation project on market access, trade laws and preferences (INT/97/A06)	1998 2001	Ongoing	European Commission	98,111	57,791	32,318
INT/99/A05	Third WTO Ministerial Conference and future multilateral trade negotiations	1999 2000	Completed	Islamic Development Bank	67,000	63,459	-86
INT/99/A50	UNCTAD trust fund project for WTO accession	1999 2001	Ongoing	United Kingdom	387,625	316,669	304,203
INT0T0AU	Formation au commerce international et developpement entreprises	2000 2001	Ongoing	Francophonie	66,724	35,030	35,030
RAB/91/003	Appui à l'Union du Maghreb Arabe (UMA)	1994 -	Ongoing	UNDP	211,477	215,165	3,688
RAB/96/001	Support to the Arab States in their pursuit of economic and social reform and multilateral economic cooperation	1997 2000	Ongoing	UNDP	3,047,517	3,014,993	-24,019
RAF/94/A34	Post-Uruguay Round assistance to African countries	1994 -	Ongoing	Netherlands	393,000	395,756	48,423

Project number	Short title	Duration	Status in 2000	Source of funds	Total budget ($)	Cumulative expenditure ($)	Expenditure 2000 ($)
RAF/96/001	Capacity building for trade and development in Africa	1996 -	Ongoing	UNDP	2,398,851	2,099,275	383,052
RAF/97/A16	Implementing the General Agreement on Trade in Services (GATS) in Africa (CAPAS)	1997 2000	OPC	Canada/IDRC	279,000	261,084	213
RAF/97/A34	Post-Uruguay Round assistance to African countries	1997 -	Ongoing	France	67,400	55,837	21,040
RAF/97/A54	Fostering competitive services sectors in selected African countries	1998 -	Completed	France	90,885	93,816	-4,329
RAS/97/A18	Assistance to Countries of the Asian Region on MFN and Preferential Tariffs Negotiations	1998 2001	Ongoing	Japan	810,000	675,974	248,861
RAS/97/A35	Training seminar on implication of the WTO accession for development policy for LDCs and acceeding developing countries in Asia and the Pacific	1997 -	Ongoing	Japan	120,000	113,476	-208
	Total: Trade negotiations and commercial diplomacy				**19,825,874**	**15,932,565**	**1,985,055**
Commodities							
CHI/99/A58	Scoping study for a project on mining and local sustainable development in Chile	1999 2000	Ongoing	Chile	20,000	19,000	6,918
MLW/98/008	Economic aspects of development of agricultural alternatives to tobacco production and export marketing	1998 2000	Ongoing	UNDP	51,816	40,426	-3,695
SAF/95/A17	Natural resources and commodity production: A framework for sustainable development	1996 2000	Ongoing	Netherlands	63,280	64,818	400
SAF/97/A14	Socio-economic consequences of the privatization of Alexkor	1997 2001	Completed	South Africa	16,611	16,995	3
INT/87/A05	Role of the minerals sector in the development process of developing countries	1988 2000	Ongoing	Norway, Sweden	195,584	221,153	-34
INT/96/A26	Commodity risk management and finance	1996 -	Ongoing	Multidonors	201,137	176,144	9,293
INT/96/A38	Clearing house for natural resources information: Pilot project on mineral resources	1997 2000	Ongoing	Netherlands	50,000	53,035	-98
INT/99/A27	L'intelligence economique au service des plus demunis	1999 2002	Ongoing	France	128,297	32,630	32,630
RAS/97/A37	Creation of multi-stakeholder advisory panel on sound and cost-effective management of health and environmental risks	1997 2001	Ongoing	Australia, Canada, India, Philippines, Rep. of Korea	500,000	31,070	1,728
				Total: Commodities	**1,226,725**	**655,271**	**47,145**

Project number	Short title	Duration	Status in 2000	Source of funds	Total budget ($)	Cumulative expenditure ($)	Expenditure 2000 ($)
Trade, environment and development							
IND/97/955	Strengthening capacities for trade and environment policy coordination in India	1998 2000	Ongoing	UNDP	172,400	168,492	7,165
IND/99/965	The role of business partnerships in promoting trade and sustainable development	2000 2001	Ongoing	UNDP	150,000	132,772	132,772
VIE/98/036	Trade, environment and development: policy implications for Vietnam	1999 2001	Ongoing	UNDP	100,200	70,506	70,506
GLO/99/A18	Launching a plurilateral greenhouse gas emissions trading system	1999 2001	Ongoing	UNFIP	1,185,000	360,932	43,428
INT/91/A29	Development of a pilot scheme for trading CO2 emission entitlements (Phase III)	1991 -	Ongoing	Multidonors	598,998	603,422	1,958
INT/92/A06	Reconciliation of environmental and trade policies	1992 -	Ongoing	Netherlands	766,015	689,959	5,515
INT/92/A31	Developmental aspects of global environmental deliberations	1992 2001	Completed	Italy	150,000	144,079	2,107
INT/93/A48	Trade and environment	1994 2001	Ongoing	UNEP	212,074	211,148	5,053
INT/95/A58	Environmental factors and trading opportunities for developing	1995 2000	Ongoing	Italy	213,000	216,101	3,212
INT/97/A50	Biotrade initiative programme	1997 -	Ongoing	Multidonors	307,823	210,098	32,513
INT/98/A61	Strengthening research and policy-making capacity on trade and environment in developing countries	1999 2001	Ongoing	United Kingdom	464,573	404,283	194,418
INT/99/A64	Project standards and trade	1999 2001	Ongoing	Canada	140,000	31,748	31,748
INT0T0BO	Building national capacity in management of recoverable material	2000 2002	Ongoing	Multidonors	275,000	4,195	4,195
RLA/99/A46	Implementation of UNCTAD's Biotrade Initiative in the Amazone (Start-up Phase)	1999 2000	Ongoing	UNFIP	50,000	49,985	287
		Total: Trade, environment and development			**4,785,083**	**3,297,720**	**534,877**
Competition law & policy & consumer protection							
INT/86/A01	Training programme on RBPs (competition policies)	1986 -	Ongoing	France, Norway, Sweden/SIDA	1,029,555	771,611	139,206
INT/96/A19	Strengthening competition policy and legislation in developing countries and countries in transition	1996 -	Ongoing	Netherlands	122,150	130,441	3,891
RAF/97/A41	Institutional and capacity building in competition law and policy for African countries	1997 -	Ongoing	Netherlands	617,602	435,853	160,912
		Total: Competition law & policy & consumer protection			**1,769,307**	**1,337,905**	**304,009**
Total: DIVISION ON INTERNATIONAL TRADE IN GOODS AND SERVICES, AND COMMODITIES					**28,113,215**	**21,583,989**	**2,903,439**

C. Division on Investment, Technology and Enterprise Development

1. Investment issues analysis

(a) Capacity-building in developing countries for international investment agreements

151. ***Development context:*** The discussions and negotiations of international investment agreements (IIAs) at the bilateral, regional and multilateral levels have proliferated in recent years, given new momentum to the involvement of developing countries and economies in transition in discussions and/or negotiations of international investment agreements. These discussions require that delegates and others participating in them are thoroughly familiar with key issues concerning FDI and especially their development dimension, as well as with key concepts likely to be considered in the context of IIAs.

152. ***Objectives:*** The objectives of this programme is to help developing countries and economies in transition to participate as effectively as possible in international discussions on investment rule-making, be it at the bilateral, regional, plurilateral or multilateral level. This reflects the need for greater information, transparency and proper economic and legal analysis of this subject. More specifically, UNCTAD's work aims at consensus-building and seeks to help developing countries to deepen their understanding of the issues involved, explore the range of problems that needs to be considered, identify interests, and, in particular, ensure that the development dimensions is understood and adequately addressed.

153. ***Features:*** UNCTAD's work in this area is aimed at enabling developing countries to participate as effectively as possible in discussions on and/or negotiations of IIAs, be they at the bilateral, regional or international level, and at ensuring that the development dimension is adequately addressed. Main activities are centred around training and capacity — and consensus-building seminars and workshops that are based on the *Issues in International Investment Agreements* series. Looking at the core elements of IIAs — such as national treatment, MFN, etc., from a development perspective — this series has established a standard working tool for negotiators from developed and developing countries alike. Other main activities in this area include facilitation services to the negotiation of bilateral investment treaties and double taxation treaties involving the countries of the South, and advice to regional organizations with regard to the formulation and/or modernization of existing investment regimes. The third pillar of this work programme consists of capacity-building through engagement of civil society and private-public-sector dialogue events. This element comprises a series of seminars and workshops conducted for non-governmental organizations. The objective of these seminars workshops is twofold: first, they aim to familiarize representatives of civil society with current issues related to IIAs and to the

working of intergovernmental machineries dealing with this issue. Secondly, they are meant to provide a forum for an exchange of views between civil society and policy-makers in this area.

154. ***Output/results:*** During the year, five more publications in the series: *Issues in International Investment Agreements* were issued: *Transfer of Funds* (Sales No. E.00.II.D.27); *Employment* (Sales No. E.00.II.D.15); International *Investment Agreements: Flexibility for Development* (Sales No. E.00.II.D.6); *Taxation* (Sales No. E.00.II.D.5); and *Taking of Property* (Sales No. E.00.II.D.4). Also published were *Bilateral Investment Treaties in the mid-1990s* and volumes four and five of *International Investment Agreements: A Compendium*.

155. In collaboration with the German Federal Government Development Policy Forum and the German Foundation for International Development, a Pre-UNCTAD X seminar was organized in Berlin, from 11 to 12 January 2000, to debate possible strategies for developing countries in international investment policies.

156. Also in 2000, work continued on the organization of rounds of bilateral investment treaty negotiations. The programme provided expert advice and facilitated three rounds of negotiations: Geneva, Switzerland, 17–24 January; Lima, Peru, 29 March–4 April; and Sapporo, Japan, 19–30 June. These rounds resulted in 31 BITs signed.

157. Work also progressed on the intensive training courses. In July, a Memorandum of Understanding was signed with the Indian Institute of Foreign Trade to host the 10-day intensive training course for Asian negotiators. The course, developed by UNCTAD, will train negotiators of IIAs on key issue related to the negotiation of such agreements.

158. Finally, the programme continued to service the intergovernmental process in UNCTAD and in WTO. Within UNCTAD, an expert group meeting was organized on home countries measures to promote outward foreign direct investment and the transfer of technology to developing countries (Geneva, 8-10 November 2000). The programme also participated in the deliberations of the WTO Working Group on the Relationship between Trade and Investment.

(b) UNCTAD–ICC Project on investment guides and capacity building for least developed countries

159. ***Development context:*** The joint UNCTAD–ICC project on investment guides and capacity building for least developed countries was launched at a meeting between the Secretary-General of the United Nations and the international business community, represented by the International Chamber of Commerce (ICC), in February 1998. Among the major obstacles that least developed countries face in achieving their full development potential is a lack of investment, including foreign direct investment (FDI). Even though it has come to be widely recognized that FDI can play an important positive role in economic development, and even though developing countries

have for most of the past decade attracted an increasing share of global FDI inflows (around $827 billion in 1999), the LDCs are receiving less than half of 1 per cent of these flows.

160. ***Objectives:*** The project is a response to this situation. It aims at reducing the information gap in investment opportunities in LDCs by providing potential investors with relevant information on investment conditions and opportunities in these countries. In addition, the preparation of the investment guide in each country will enable a dialogue between policy makers and investors on how best to improve the conditions for foreign investors in the countries.

161. ***Features:*** The project has two components:(i) the preparation of investment guides which provide objective and up-to-date information on investment conditions in LDCs, and (ii) investment-related capacity building in LDCs. The strategy of the project includes two workshops in each country in which the project is implemented, held in cooperation with the country's investment promotion agency. The pilot phase of the project involves five countries: Bangladesh, Ethiopia, Mali, Mozambique and Uganda. Twenty-eight internationally known companies are championing the project and contributing in kind by participating in the substantive work. Other features include the following:

Close cooperation with the private sector

162. The role of the private sector, including in particular the 28 project "champions" (corporations and companies), has been crucial in all countries in which the project has been implemented. The champions have offered input into the structure of the guide, feedback on investment conditions in individual countries, feedback on drafts of the guides, and other practical assistance. Since the intended readership of the UNCTAD–ICC guides consists of potential foreign investors, the champions are in effect also playing a role in strengthening the credibility of the guides with the target readership. The participation of the private sector, both foreign and domestic, also has a more fundamental and long-term significance in so far as the project serves as a catalyst in initiating or strengthening an ongoing dialogue between investors and Governments on improving the investment climate.

An elaborate dissemination plan

163. A dissemination plan has been developed and is in the process of being implemented. The UNCTAD–ICC series of investment guides is being advertised by means of a flyer, through *Corporate Location* magazine (which has 11,000 subscribers involved in making corporate location decisions), national committees of the ICC, outward investment agencies of major home countries, a variety of business and industry associations, and events such as the Expo 2000 in Hanover, Germany.

164. The project showcases the close working partnership that now exists between the United Nations and international business, and brings together the development expertise of UNCTAD with the international business perspective of the ICC.

165. ***Outputs/results/impact:*** Following the *Investment Guide to Ethiopia*, of which a revised version was published in April 2000, work had also been completed in Bangladesh and Mali. The "Investment guide to Bangladesh" and the "Guide d'investissements du Mali" were published in December 2000. Two workshops in Mozambique and Uganda — bringing together participants from the local private sector as well as Government officials — have been organized. An independent committee of experts was formed with a view to evaluate the pilot phase of the project. The committee met in December 2000 and a second time in January 2001. The final evaluation report was due in March 2001. All guides published so far (Bangladesh, Ethiopia, Mali and Uganda as of May 2001) have been put on the Internet and can be viewed either on the UNCTAD webpage or on www.ipanet.net and www.iccwbo.org, respectively.

(c) Needs assessment to attract Asian FDI into Africa

166. ***Development context:*** An increasing share of FDI from the developing world, which now accounts for about one tenth of world FDI flows, originate in developing Asia. Some of the region's firms have grown to rank among the largest transnational corporations (TNCs) in the world. However, investments of these TNCs are not much directed to Africa, though there is now a sign of their beginning to be directed to some African countries. The region does not seem to have participated in the FDI increases that have occurred since the latter half of the 1980s, having experienced a decline in its share in world FDI.

167. ***Objectives:*** The project seeks to identify FDI potential in Africa, in particular in African LDCs, for Asian investors, specifically from Asian developing countries. It examines and analyses the underlying factors, with a view to assisting African LDCs in formulating policies favourable to attract FDI from Asia, including FDI by SMEs. Through the identification of investment opportunities and description of best practices of FDI in Africa, the awareness of Asian investors as to the potential investment opportunities in African LDCs will be enhanced. Policy recommendations as to the institutional mechanism conducive to develop the private sector in Africa as well as focused strategy for FDI promotion will be formulated. The project also seeks to analyse possibilities for Asian FDI to contribute to GDP growth in African countries. A further aim of the project is to identify possibilities to increase African SMEs in quantity as well as in terms of quality of products, marketing and competitiveness, through the utilization of FDI.

168. ***Features:*** The needs of Africa to attract FDI and utilize it for development are examined and analyzed. Investment potential in five countries in Africa (Botswana, Ghana, Madagascar, Mozambique, United Republic of Tanzania) is identified. This assessment identifies which industries have comparative advantages in attracting FDI and strengthening the growth potential

through FDI in those countries, taking into account best practices and successful examples in overcoming hurdles in each area from Asian as well as African experiences.

169. A directory on FDI and TNCs was prepared, providing ways and means to alert Asian firms about the investment opportunities while it also addresses questions such as the nature of FDI that Africa attracts, determinants of additional FDI (sustainability of FDI), profitability of FDI, amongst others. At the policy level, the directory is used to assess the investment environment and the Government role to achieve development goals.

170. A round table bringing together selected African developing countries/LDCs and major Asian investing firms in Africa will be organized to discuss and identify what should be done to promote FDI into African LDCs including that from Asia, beyond what is already done and enable them to maximize the benefits of FDI for their development. This public-private sector exchange of views also sets the stage for the direction of the remaining activities of the project.

171. The activities will be implemented through a triangular cooperation, namely an institute specialised in development issues (the Center for International Development of Harvard University) together with the support from institutions in Asia and Africa (such as the Institute of Southeast Asian Studies in Singapore, the Chinese Academy of International Trade and Economic Cooperation as well as investment promotion agencies and chambers of commerce and industry in several countries in Africa).

172. The current project is essentially for the first phase only, and throughout this period, the focus will be both on research and policy analysis as well as on technical cooperation that lead to action-oriented results, so that the first phase lays the ground work for the next phase.

(d) Development of competitive insurance markets

173. ***Development context:*** Insurance services, a major component of financial services, enable economic agents to protect themselves against risks and help safeguard national assets while sustaining development and trade. In many developing countries, particularly in Africa, provision of affordable, available and reliable insurance services that match the needs of a country's economic agents are often lacking. The objectives are therefore to establish competitive and efficient insurance markets and to improve access for a large part of the population to insurance services.

174. ***Objectives:*** Provide technical support, advice, guidance and training for insurance supervisory authorities, in particular for the establishment of legal and supervisory frameworks geared toward sustaining the development of competitive insurance markets. Improve the understanding and provide information on the impact of liberalization of insurance markets and on other more technical subjects to government officials, regional associations and managers of insurance concerns.

175. ***Features:*** (i) Organization of training seminars/workshops and missions to improve the understanding of the role of supervisors, the competence and technical abilities of the staff of supervisory authorities particularly of Africa and Caribbean countries; and (ii) Organization of conferences and seminars on the impact of liberalization and other technical subjects relevant to decision-makers.

176. ***Output:*** Workshops and seminars: (i) presentation at the Non Banking Financial Issues Conference Organized by the World Bank (Washington D.C.); (ii) presentation at the Annual Conference of the African Insurance Organization (Abuja, Nigeria) and organization of separate sessions on export-credit insurance and the session of the Association of African Insurance Supervisory Authorities during the conference; (iii) Seminar for the Offshore Group of Insurance Supervisors, (in Belmopan, Belize).

177. ***Conferences and seminars***: (i) Organization and presentations during the XII Insurance Congress of Developing Countries (Kathmandu, Nepal); (ii) Organization of and presentations during the UNCTAD/African Insurance Organization (AIO) Conference on "Globalization and the African insurance industry", (Cairo, Egypt); (iii) Organization of a workshop with AIO and Standard and Poor' s on establishment of a rating system of African insurance concerns, (Nairobi, Kenya); and (iv) Organization of the 1st International Conference on the Development of Credit-insurance in African and Mediterranean countries.

178. ***Results:*** UNCTAD has contributed to focus the attention of policymakers to the importance of introducing and enforcing prudential rules, measures for the protection of consumer and competition rules for the development and stability of insurance and financial markets. In Africa for example, as a direct result of UNCTAD's work, more than 20 countries have brought important changes to their regulatory and supervisory frameworks. The number of supervisory authorities has increased from 8 to more than 30. The existing industry and regulatory regional associations have been strengthened, cooperation much improved and work plans established.

179. As a consequence, insurance markets in many countries have been consolidated, a large number of insolvent insurers have been closed, asset/liability matching is better controlled and, through improved competition in many countries, prices have declined and quality of services has improved. An African association of insurance training institutes has been established and strengthened and a work plan for the establishment of a virtual African Institute realized.

(e) Feasibility studies on the creation of funds for LDCs

180. ***Development context:*** In the present context of declining aid money, more efforts need to be provided to mobilize private finance for investment in bankable and productive projects in LDC's. Good investment opportunities exist in LDCs, but very often shortage of financing does not allow many of otherwise viable investment projects to come to fruition. While venture capital

funds have been established by private investors or international institutions to invest in developing countries, with a few exceptions, these funds do not invest in LDCs for many reasons. First, the small size of the projects in LDCs does not justify the investment in overhead costs (such as feasibility studies). Second, LDCs require particular attention for the follow-up and monitoring of the operations of investee companies. Therefore, the cost of investing in LDCs might be judged too high, as compared with investing in other more advanced emerging markets.

181. ***Objectives:*** In the framework of a technical assistance project financed by the Government of Norway, UNCTAD undertook a feasibility study on a Venture Capital Fund (VCF) for LDCs to overcome the constraints identified above. The proposed VCF for LDCs is so designed as to permit an effective private-public partnership to reduce the costs and risks of investing in LDCs and to put in place a professional management team, while also providing technical support to enhance the managerial capacity of local entrepreneurs. While private investors would make investments into the VCF and would manage it, public donors would assist by sharing the costs of feasibility studies and management during the start-up phase.

182. ***Output/Results***: A number of potentially viable investment projects in LDCs were identified, with the help of investment promotion agencies and chambers of commerce in LDCs. A feasibility study of the VCF was prepared and discussed with potential investors and donors. Investors in London, Zurich and Tokyo were approached to sound their views about the proposal. A meeting was organized in Geneva with fund managers and potential investors to discuss the feasibility study and the structure of an efficient public-private partnerhsip. Although investors have given favourable comments on the fact that the proposed VCF is well conceived and the structure of the public-private partnership is convincing, so far no real commitment has been made as to their investment intentions.

(f) Building capacity in the Least Developed Countries to attract foreign investment through venture capital funds

183. ***Development Context:*** In recent years, there has been increasing interest on the role of non-FDI foreign investment in emerging markets in the financing of the enterprise sector of the countries concerned. Non-FDI flows are mainly equity investments in the capital of local companies in emerging markets, and can take the form of portfolio equity investment funds.

184. Over the last decade, several factors have contributed to stimulating increased venture capital investment in emerging markets. First, the investment climate in many of these countries has improved substantially. Second, institutional investors in developed countries have been actively seeking new investment opportunities. The process of portfolio diversification has been driven by the promotion of a wide range of investment fund vehicles designed to offer institutional investors exposure to specific regions or types of investment.

185. ***Objectives:*** The objective of this project is to raise the capacity of the Least Developed Countries to attract foreign investment through venture capital funds. The project will thus help provide additional resources and know-how to the local enterprise sector, especially SMEs, which are one of the main driving forces of development in LDCs.

186. The project has three core activities:

i) Study on best practices for attracting risk capital through venture capital funds;
ii) Training entrepreneurs in LDCs on preparing project proposals for foreign investors;
iii) Organizing regional workshops on venture capital investment in LDCs.

187. ***Output/Results:*** A draft manual on successful strategies adopted by venture capital managers investing in developing countries or with economies in transition was prepared by UNCTAD with the assistance of SOFI (Swiss Organization for Facilitating Investment) having good knowledge of the area of venture capital investing. The manual starts by surveying practices of venture capital funds in Western Europe, North America, and developing countries. It then describes typical criteria and considerations applied by fund managers in placing capital in investment projects.

188. A draft manual of How to make a Business Plan and to make an investment project bankable was also prepared by UNCTAD with the assistance of SOFI. The manual takes into consideration the special challenges facing developing countries, especially the LDCs. The manual embodies the standard basic element of a business plan for a venture in line with attached detailed outline and case studies covering different stages of finance, different sectors of industry and regions. This training manual will be used at the training seminars organized under this project.

189. A third manual about Government policies and regulatory framework to be put in place in attracting venture capital in developing countries is still to be prepared before the training phase.

2. Investment policies and capacity-building

(a) Investment policy reviews (IPR)

190. ***Development Context:*** In today's more competitive environment for foreign direct investment, a number of countries have requested independent assessments of their investment policies and business environment, which they hope will identify their strengths and weaknesses in terms of attracting FDI. Investment Policy Reviews (IPRs) are more complex than separate activities of FORINVEST, in that they focus on investment as part of a holistic process to help beneficiary countries attract FDI and enhance the positive contributions that it can make. The process involves the participation of all interested constituencies, including government institutions, the domestic and international private sector and others, and facilitates private-public sector dialogue to strengthen policies and institutions relevant to FDI.

191. ***Objectives:*** To provide developing countries with an external tool to assess how they stand today in attracting FDI of the right kind in consonance with stated national objectives, and incorporating a medium- to long-term perspective on how to respond to emerging regional and global opportunities. To develop the role of FDI as a source of external financing for development and its impact through technological upgrading, linkages with the domestic economy, exports, jobs and skills and sustainable growth and human development.

192. ***Features:*** The IPRs encompass the following: (i) an examination of the country's objectives and competitive position in attracting FDI; (ii) an audit of the country's FDI policy framework and administrative structures and procedures; (iii) a survey of firms to obtain investor perceptions and experiences; (iv) a round table meeting of stakeholders to discuss preliminary findings, policy options and recommendations; and (v) a presentation at appropriate intergovernmental and international forums whereby other Governments and private sector representatives can familiarize themselves with the country's investment environment and policies, and the country officials can also benefit from the peer review.

193. ***Outputs/results:*** During the year, the Investment Policy Review of Uganda, Peru, and Mauritius were published. Investment Policy Reviews on Ecuador and Ethiopia were completed. The IPR Zimbabwe is in progress. The full review cycle of activities were completed in two countries — Egypt and Uganda. Authorities have initiated concrete actions on the review recommendations. In both countries, follow up technical assistance has been requested from UNCTAD. The ensuing advice and training are expected to reinforce the policy actions being taken, thereby underscoring the prospect for increased FDI inflows.

(a) *Egypt.* The Government of Egypt has already taken action on some of the issues raised by the review (e.g. reform of company establishment under law 159) as well as by other international organizations (USAID, FIAS). The Government has also expressed interest in UNCTAD advisory services in introducing suggested changes in the investment framework and in selected activities in investment promotion. Training seminars in investment promotion were held in Cairo, cosponsored by the Government of Egypt and the Government of Switzerland.

(b) *Uganda.* The Review underscored the Government's objectives to promote private sector development and the heightened foreign interest in the on-going privatization programme. Uganda has the essential conditions to attract additional FDI — the investment policy framework is of exemplary standards, and ample opportunities are provided by a diversified natural resource base as well as a growing regional market. But tapping these opportunities will require continued public efforts to improve the environment in which firms operate. Inadequate transport, electricity and telecommunications facilities are weak spots. The Government of Uganda recommended immediate implementation of recommendations in Chapter 4 on investment promotion. The follow-up programme, supported by UNDP, was put in place, and follow-up activities were carried out.

(c) *Peru.* The review focused on forward-looking strategy and on the analysis of the country's investment opportunities. Due to its privatization programme, Peru jumped into the top ten developing countries receiving FDI. Privatization has also generated significant sequential investment flows. Attention should now turn to new strategies that will sustain and accelerate the existing investment flows. From a long term perspective, there is a need to upgrade FDI to build industries into industrial clusters. Among the main hub industries, the review emphasizes agroindustry, mining and tourism because of their high potential to attract FDI. The Government of Peru has endorsed the recommendations and requested UNCTAD's assistance in several areas, including investment promotion, science and technology policies, and small and medium enterprises development. Activities to disseminate the review and present it to a wide audience both in Peru and abroad are being planned.

(d) *Ecuador.* The Review found that, although the Government's new economic policy of privatization was announced in 1990, implementation did not follow pronouncements. Economic and political instability, aggravated by external shocks, resulted in Ecuador becoming the lowest ranking investment recipient in Latin America. The Review addressed institutional, organizational and strategic changes in the FDI regime that hinder the country's ability to overcome the current crisis. The Government of Ecuador has endorsed the recommendations and requested UNCTAD's assistance in several areas, including investment promotion, science and technology policies, and small and medium enterprises development.

(e) *Mauritius.* To sustain high growth, Mauritius must shift more forcefully into higher value sectors, including financial services, business services and information technology. Wealth in these sectors is derived from knowledge networks and a sophisticated support infrastructure that demands substantial capital and expertise. FDI can help Mauritius establish the attributes needed to compete globally in these high value service sectors. Nevertheless, to attract FDI of this kind will require a focused promotional strategy and a substantial overhaul of the policy and operational framework for FDI in line with worldwide "best practice" standards. The Government requested UNCTAD to provide further assistance to implement recommendations in the IPR, e.g.: (a) to give technical support to the newly created Board of Investment; and (b) to undertake a comprehensive review the fiscal investment incentives regime. UNDP agreed to consider follow-up support under the next cycle of the County Cooperation framework for 2001–2005.

(f) *Ethiopia.* The Investment and Innovation Policy Review was carried out at the request of the Government of Ethiopia. While the focus of the Review is on investment policy, it also gives special attention, at the request of the Government, to local technological development and innovation-capability building. With regards to investment policy and promotion, the report recommends that a single agency should have the overall responsibility of international investment promotion activities and negotations in Ethiopia.

(g) *Zimbabwe.* The review is in progress and near completion.

194. ***Future activities:*** Official written requests for investment policy reviews have been received from several countries including Botswana, Belarus, Chile, Colombia, Ghana, Iran (Islamic Rep. of), Kenya, and United Republic of Tanzania. In addition, follow-up to completed reviews will continue through technical assistance and dissemination of findings and recommendations. Dissemination efforts include the upgrading of the UNCTAD web site to present the review and information provided by the participating national investment agencies.

(b) FORINVEST -- *Policy framework for attracting foreign investment*

195. ***Development context:*** With the globalization of economic activities, driven by increased liberalization, more and more developing countries are seeking investment by transnational corporations. This materializes in a proactive policy designed to maximize foreign investment flows with a view to increasing external capital/foreign exchange, exports, employment and training, technology capacity and management and marketing skills.

196. ***Objectives:*** To assist developing countries in strengthening their capacity to create and manage the policy and operating climate in which foreign investment and international business can thrive.

197. ***Features:*** FORINVEST provides advisory services and training packages related to investment policy, investment legislation, investment codes, sector policies governing the participation of transnational corporations in specific sectors, technology transfer and mechanisms for attracting investment (such as export processing zones, industrial estates and build-operate-transfer arrangements).

198. ***Outputs/results*:** During the year, components of the FORINVEST programme were implemented in Albania, Bangladesh, Bolivia, Djibouti, Gambia, India, Jordan, Sudan, Uganda, Vanuatu, and the West Bank and Gaza Strip. Furthermore, UNCTAD was involved in a number of regional initiatives. The case of Jordan exemplifies how the programme is implemented: At the request of the Government of Jordan, UNCTAD assisted in developing an initiative to strengthen the competitiveness of the mining and minerals sector and thus attract foreign investment into mining and mineral processing activities. A three-phase strategy is pursued involving: (i) a review of the legal and fiscal frameworks of the mining and minerals sector; (ii) a comprehensive analysis of the competitiveness of the mining and minerals sector culminating in the preparation of an Action Plan for its promotion; and (iii) the implementation of an action plan through a series of training measures aimed at strengthening Jordan's capacity to promote the mining sector and to target appropriate investors. Overall, the project aims to foster private sector development through good governance, focusing especially on the proactive developmental role which can be played by Jordan's Natural Resources Authority and the Investment Promotion Corporation.

(c) STAMP – *Strengthening and/or Streamlining Agencies concerned with Maximizing and Promoting FDI*

199. ***Development context:*** In an environment of increased liberalization, countries have been adopting a very proactive policy of maximizing foreign investment flows, subject to the terms and conditions that prevail in a given environment.

200. ***Objectives:*** To assist developing countries and economies in transition in strengthening their investment institutions, especially investment promotion agencies (IPAs), in streamlining their modes of operation and approval processes, in monitoring the quantity, quality and impact of inflows, and in promoting their host country as attractive locations. Special attention is given to the institutional strengthening of IPAs in Africa and investment promotion efforts for the African region.

201. ***Features:*** STAMP provides advisory services and training packages relating to: (i) the setting up of an investment promotion agency from the ground up or clarifying the identity, role and powers of existing institutions; (ii) establishing effective one-stop agencies; (iii) procedures and practices that could be employed in encouraging and evaluating foreign investment inflows; (iv) the development of an information system capable of effectively registering recording inflows and assessing the impact on employment, taxation, balance of payments, training and technological development, and backward and forward linkages; and (v) the setting up of information systems, organizing promotional visits and promotional material (including brochures) and arranging investment round tables.

202. ***Outputs/results:*** In 2000, components of the STAMP programme were implemented in Albania, Bangladesh, Bolivia, Brazil, Djibouti, Egypt, Gambia, Ivory Coast, Jordan, Pakistan, Uganda, Vanuatu, and the West Bank and Gaza Strip. Furthermore, UNCTAD was involved in a number of regional and interregional initiatives and in the work of the World Association of Investment Promotion Agencies (WAIPA). The following cases exemplify how the programme was implemented:

- *Albania.* As part of UNCTAD's ongoing programme of assistance to Albania in the promotion of foreign investment, UNCTAD advised the Government of Albania on actions to be taken to restore investors' confidence in the country in the aftermath of the Kosovo crisis. During the reporting period, UNCTAD undertook an advisory mission to Albania for the preparation of the Investor Targeting Strategy for Albania paper in November 2000. The paper is expected to be completed in the first half of 2001.
- *Andean Community.* UNCTAD, in cooperation with the Multilateral Investment Guarantee Agency (MIGA) of the World Bank Group organized a workshop on 19–21 June 2000, in Quito (Ecuador) for the 5 countries of the Andean Community. In total, 30 participants attended this workshop. The guidelines for an Andean Investment Promotion Strategy were developed. Further meetings will be held in the course of 2001

to review the proposals and present the final input for an Andean Strategy. This workshop was held in Quito to coincide with the publication of the Investment Policy Review (IPR) for Ecuador.

- *Bangladesh.* Upon the request of Bangladesh's Board of Investment (BOI), and following an advisory mission to Bangladesh, UNCTAD prepared a report and recommendations on BOIs recently established One-Stop Service (OSS) for investors. Against the background of this work, a workshop was organized for BOI staff as well as representatives of different line ministries and utilities agencies involved in the investment facilitation process. Senior officials of the Malaysian Industrial Development Agency (MIDA) and the Boards of Investment of Sri Lanka and Thailand as well as the Irish and Scottish investment promotion agencies, participated as resource persons and advisors. Following the workshop, an Action Plan for the OSS was prepared by UNCTAD. Some of the key recommendations of the Action Plan, involving – in particular – training activities, are to be implemented with the further assistance of UNCTAD.

- *Bolivia.* A strategy was defined jointly by UNCTAD and the Ministry of Investment of Bolivia for the promotion of foreign investment in this country's forestry sector. An internet-based information system is being implemented to facilitate interactions between (1) Bolivian companies looking for partners or funding; (2) foreign investors interested in the forestry sector; and (3) Government officials in charge of controlling foreign investment.

- *Brazil.* Within the framework of the UNCTAD training curriculum on investment promotion and investor targeting, a workshop was conducted on 27–29 June 2000, in Brasilia. This workshop was designed to strengthen the capacity of the Investment Promotion and Technology Transfer System (SIPRI) created by the Brazilian Ministry of Foreign Relations. Participants were representatives from the focal points dealing with investment promotion at States level.

- *Egypt.* UNCTAD, within the frame of the new strategy for capacity-building in investment promotion in developing countries, organized two workshops on 24–28 June 2000, in Cairo, Egypt, with the aim of: (i) sensitizing Egyptian diplomats to the potential developmental role of foreign direct investment (FDI); and (ii) providing training on investment promotion and investor targeting techniques. The workshop focussed on the role that a global network of embassies could play in attracting FDI to the country. 120 participants attended the two workshops, which were coorganized by UNCTAD and the Ministry of Foreign Affairs. Officials from the General Authority for Investment (GAFI) were also invited.

- *India.* In the context of UNCTAD's continuing support to WAIPA, a Regional Workshop on Investor Targeting for Asia was held from 29 November–1 December 2000, in Jaipur (Rajasthan), India. The Workshop was organized in cooperation with the Indian Investment Centre (IIC), the Rajasthan Bureau of Investment Promotion (BIP), and the World Association of Investment Promotion Agencies (WAIPA). Forty-seven participants attended the workshop, including investment promotion officials from 8 Asian countries and 8 different Indian States. The Workshop was designed to provide training for senior-level staff from IPAs in Asia, in order to enhance their skills on how

to target and attract foreign investors to their respective countries and regions, and covered both theory and practical issues, including hands-on exercises.

- *Saudi Arabia.* In the context of a visit by Saudi Arabia's General Investment Authority (SAGIA) to UNCTAD, a 1-day workshop was organized on the legal framework for foreign investment in Saudi Arabia, on SAGIAs by-laws and on best practices in establishing and operating an investment promotion agency. Following this workshop, UNCTAD has been requested by SAGIA to implement a technical cooperation project focussing on (a) the modernization of the legal and fiscal regime for foreign investment, and (b) capacity building for SAGIA. An UNCTAD advisory mission took place in November 2000 and a national workshop is scheduled for 2 April 2001.
- *Vanuatu.* Vanuatu's Foreign Investment Board (VFIB) requested UNCTAD to provide assistance in developing an investment promotion strategy for Vanuatu, in sensitizing other government departments to the developmental role of foreign investment and in building VFIBs capacity to promote and facilitate investment. Following an advisory mission to Vanuatu, a report was prepared detailing a possible investment promotion strategy. The proposal was presented in October 2000.
- *World Association of Investment Promotion Agencies (WAIPA).* UNCTAD continues its support to WAIPA, by hosting the secretariat and co-organizing conferences and training activities. In February 2000, WAIPA held its Fifth Annual Conference in Bangkok, Thailand prior to UNCTAD X. 120 officials from 48 investment promotion agencies (IPAs), several export processing zones, international organizations and private sector companies attended the three-day Conference. As part of the training programme, UNCTAD and WAIPA organized four study tours for young professionals from member IPAs, for a period of two weeks. In the context of the WAIPA initiative, the annual WAIPA Report and Directory 1999/2000 was published in 2000. UNCTAD continued to assist the WAIPA secretariat, which has become independent and is funded by the contributions of WAIPA members and donor countries. Three issues of WAIPA Newsletter were published in 2000, both in hard copy and in electronic format. WAIPA jointly organized with MIGA and UNCTAD a workshop on the use of the Internet for IPAs from Central and Eastern Europe and Central Asia and with UNCTAD organized two regional workshops on investor targeting for IPAs in Africa and Asia, respectively.

(d) TRANSACT - *Negotiating international business arrangements*

203. ***Development context:*** Successful agreements in today's complex international business environment require a command of innovative financial techniques and sophisticated legal and fiscal structures, as well as expertise in a variety of other disciplines.

204. ***Objectives:*** To assist Governments (and the private sector) in developing countries and countries with economies in transition in tackling the whole range of issues that arise in their negotiations with foreign investors, especially transnational corporations.

205. ***Features:*** TRANSACT provides advisory services and training packages related to investment projects, sectoral regimes, construction contracts, joint ventures, as well as to related technology transfer, finance and taxation issues.

206. Outputs***/results:*** During the reporting period, components of the TRANSACT programme were implemented in the Solomon Islands.

(e) STIPs: Science, Technology and Innovation Reviews

207. ***Development context:*** The purpose of science, technology and innovation policy reviews is to enable developing countries to evaluate the efficiency with which their scientific and technological, as well as industrial, economic, educational and social, institutions and mechanisms contribute to the development — particularly technological development — of their enterprises. By enriching the knowledge of how these policies are designed and applied, the reviews will help countries improve their policies, while at the same time opening up opportunities for greater international cooperation.

208. ***Objectives:*** The STIP review is intended to facilitate effective integration of science and technology policies with development planning through, among other things, establishing constructive dialogue between different agencies responsible for technology, investment, agriculture, trade, education and related issues with a view to building up and strengthening local technological capabilities and resources. In examining such issues, the STIP review aims at enhancing the policy-making capability of Governments with respect to innovation and strengthening the technological infrastructure.

209. ***Output****/results:* In 2000, the work on the STIP review in the United Republic of Tanzania continued.

(f) Micro-finance

210. ***Development context***: Micro-credit, micro-savings and micro-insurance are essential support services to enable poor people to trade and take part in the mainstream economy. It is estimated that there are, in the world, around 500 million micro-entrepreneurs. They are identified as "micro-banks" or "micro-finance institutions" (MFIs). The demand for credit in the micro-enterprise sector is estimated at $100 billion.

211. ***Features:*** Many international organizations are working on reinforcing this nascent micro-finance "industry", mainly through direct contributions or with capacity building. UNCTAD has an original approach — since it is acting as a catalyst to mobilize private funds and for establishing links of mutual interest between the MFIs and the financial markets.

212. This action, so far, has yielded good results, since $10 million has already been mobilized. It is generally agreed that a loan of $500 can create at least one job. Therefore, for every $1 million invested in micro-finance, 2,000 jobs are created or maintained in developing countries. $10 million will therefore permit the creation of 20,000 jobs. With investments of $100 million, the impact on development would become extremely significant (200,000 jobs in developing countries).

213. ***Outputs/results:*** UNCTAD developed the first portal to commercial micro-finance, conceived as a collaborative platform for the main actors of the micro-finance market: micro-finance institutions (MFIs, also called "micro-banks"), networks, ratings agencies, investors and Governments.

214. *A "one-stop shop" system for investment in micro-finance:* the VMM gathers, one the same Internet site, information on investment opportunities in micro-finance ("demand"), on investors ("supply") and on investment conditions ("environment"). It presents investment opportunities in close to a hundred MFIs (with consolidated assets in excess of $2 billion and needs for equity and debt financing estimated at $200 million). Another 200 micro-banks are expected to join the market in the coming five years; external financing needs in five years could amount to $2 billion.

3. Technology and enterprise

(a) EMPRETEC - Entrepreneurship and SME development

215. ***Development context:*** Small and medium-sized enterprises (SMEs) are the life blood of any economy. A dynamic, vibrant enterprise sector can be the engine of growth providing both jobs and income to the vast majority of the population in developed and developing countries. However, in many developing countries SMEs do not grow and, therefore, will not be able to compete in the global economy. The growth of SMEs is constrained by hostile business environments, lack of long-term capital, limited market access and outdated technology.

216. ***Objectives:*** The EMPRETEC programme has been established to (i) improve SME growth and job creation in the beneficiary country; (ii) stimulate entrepreneurial potential; and (iii) help SMEs to compete in liberalizing and globalizing markets by fostering entrepreneurship, innovation and partnering.

217. ***Features:*** EMPRETEC is an integrated capacity-building programme promoting the creation of sustainable support structures that help promising entrepreneurs build innovative and internationally competitive SMEs, thereby contributing to the development of a dynamic private sector. Five phases can be identified in the programme life cycle:

Phase I: Formal request for an EMPRETEC project, and initial discussions with public and private sectors;

Phase II: Programming mission, consensus with Government, identification of counterpart, drafting of project document;

Phase III: Recruitment of staff, including the director, establishment of Advisory Board, installation of project, initial Entrepreneurship Training Workshop;

Phase IV: Operationalization of full project, putting in place basic training and services, certification of local trainers, setting up a national association. Establishing of legal entity (foundation, association, etc.);

Phase V: Maturity of project, offering customized training and other services, progress toward financial self-sustainability.

218. It is important to highlight the fact that EMPRETEC transfers its methodologies to the counterpart institution in all the countries or regions where the programme becomes operational. It must be emphasised that EMPRETEC works with national institutions rather than individual entrepreneurs. Moreover, it continually identifies innovative 'best practices' or new services that can be added to those already offered by the programme.

219. ***Objectives/results:*** In the second semester of 1999, an independent evaluation team was commissioned by UNCTAD's Programme Planning and Assessment Unit to undertake an in-depth evaluation of the EMPRETEC Programme. The EMPRETEC Evaluation was discussed during the Working Party of the Trade and Development Board (TDB) held in Geneva from 11-15 September 2000. In its decision the TDB welcomed the in-depth evaluation and stressed the necessity of implementing some recommendations in order to consolidate the EMPRETEC programme.

220. ***EMPRETEC*** developed a plan to implement these recommendations. Priority is being given to the updating of the entrepreneurial training workshops and the development of a data management system.

221. *International Directors Meeting.* The 4th International EMPRETEC Directors Meeting took place in Curitiba (Brazil) 19–21 September 2000. Thirty-three Directors and/or Coordinators participated in the meeting, representing most of the EMPRETEC Centres worldwide. Main conclusions of this meeting were related to: (a) action plan to implement the recommendations of the external evaluation; and (b) appraisals of new products/services to be incorporated to the EMPRETEC BDS portfolio.

222. *International Technical Experts Meeting (TEC).* Simultaneously with the International Director Meeting, the 2nd International Experts Meeting was held, involving 10 EMPRETEC

"master-trainers", who discussed and agreed on: (a) up-dating of contents of training materials; (b) new rules on formation and certification of new trainers; and (c) identification of standards for quality controls.

223. *International* EMPRETEC *Business Fair*. In conjunction with the Directors Meeting, SEBRAE Paraná (EMPRETEC counterpart in Paraná) organized the Annual EMPRETEC Business Fair, that was attended by more than 1,500 entrepreneurs from several countries.

Africa

(i) CIEDs (Centres for Innovation and Enterprise Development)

224. *Ghana (Phase V) and Zimbabwe (Phase V):* Work plans to ensure closer cooperation between EMPRETEC Programmes in both countries and the Centres for Innovation and Enterprise Development (CIEDs) are now firmly established. A first EMPRETEC Workshop on Marketing and Exporting of Food Products took place from 22 to 24 August 2000 in Accra (Ghana). The workshop has been jointly organized by the UNCTAD EMPRETEC Programme, Fair Trade Assistance (Culemborg/Netherlands) and the EMPRETEC Ghana Foundation (EGF).

(ii) Enterprise Africa

225. UNDP's Enterprise Africa programme is a regional initiative designed to promote entrepreneurship and enterprise development in sub-Saharan Africa. Based on the EMPRETEC model, it operates as a regional network and also as a focal point for coordinating existing and new initiatives sponsored by UNDP, other donor agencies, Governments and NGOs aimed at accelerating the growth, expansion and competitiveness of SMEs in Africa and improving the quality of indigenous African entrepreneurship. UNCTAD was selected as a partner organization to implement new EMPRETEC-like projects in Africa under the framework of UNDP's Enterprise Africa Programme. UNCTAD and Enterprise Africa will cooperate to meet the growing demand for the EMPRETEC programme by African LDCs.

Central America and Panama

226. The Partnership Agreement signed by six Central American countries, the Inter-American Development Branch (IDB) and UNCTAD during the Partners for Development Summit in Lyon (9–12 November 1998) became operational in three countries during 2000. The Central American regional programme aims to generate more than 1,500 new enterprises and business start-ups over a period of three years and to build in each country, local structures capable of providing assistance to enterprises which will achieve self-sustainability in the medium term.

- *El Salvador (Phase III).* With technical assistance of EMPRETEC Uruguay and UNCTAD, the EMPRETEC counterpart in El Salvador created an EMPRETEC foundation (FUNDEMAS), employed and trained the new Director and trainers and opened an EMPRETEC office. Two Entrepreneurship Training Workshops were completed successfully, training a total of 40 entrepreneurs. Three workshops using the "Iniciativa" methodology of EMPRETEC were organized with 75 employees of the Ministry of Public Works. Three Entrepreneurship Training Workshops were organized for big companies.
- *Guatemala (Phase II).* In consultation with the Inter-American Development Bank and UNCTAD, a new counterpart was selected to implement the EMPRETEC programme in Guatemala. Phase III was set to start in first semester of 2001.
- *Panama (Phase III).* With technical assistance of EMPRETEC Uruguay and UNCTAD, the EMPRETEC counterpart in Panama is in the process of creating an EMPRETEC foundation, and has employed the new Director and trainers and opened an EMPRETEC office. Three Entrepreneurship Training Workshops were completed successfully, training a total of 90 entrepreneurs.

South America

- *Brazil Nordeste (Phase II).* A joint development programme was officially presented by the IDB, Banco do Nordeste and UNCTAD and discussed in detail. The revised document is being finalized.
- *Bolivia (Phase III).* A programming mission was organized in La Paz, Cochabamba and Santa Cruz de la Sierra. A project proposal for the installation of the EMPRETEC Programme in Bolivia was presented to the Ministry of Labour and Microenterprises immediately afterward. A series of EMPRETEC sensitization events (two-day workshops) took place in three cities in order to identify suitable counterparts and assess the different needs of the three areas.
- *Paraguay (Phase II).* The Ministry of Industry reiterated its interest in the installation of the EMPRETEC programme in Paraguay. The institutional profile and eventual structure of the programme was discussed and agreed. However, IDB funds would not be made available before September 2001. As to the Iniciativa pilot experience, attending 30 former civil servants, the Ministry of Labour and Justice confirmed its willingness (and need) to start activities as soon as possible.
- *Uruguay (Phase V).* The IDB recently financed Phase II of the Programme for New Exporters. EMPRETEC Uruguay also launched a new service named "Club de Servicios". It is a new interactive set of tailor-made services provided on demand to the Association of EMPRETECos.
- *Venezuela (Phase II).* The project proposal prepared by UNCTAD and the Venezuelan mission in Geneva was presented at the Ministry of Science and Technology in Caracas. The re-adaptation and re-launching of the EMPRETEC Programme in Venezuela was also discussed with the Ministry of Production and Commerce. A project proposal was presented and fund-raising activities took place. Final approval is pending.

Summary of progress in the EMPRETEC model installation (Status at March 2001)

EMPRETEC project phase	Countries/Regions
Phase I: Formal request for an EMPRETEC project and initial discussions with public and private sectors	Algeria, Burkina Faso, Costa Rica, Cuba, Ecuador, Eritrea, Germany (South Westphalia), Honduras, Indonesia, Kenya, Lebanon, Mauritania, Mexico, Nicaragua, Portugal, Romania, Spain (Asturias, Valencia), Togo, Tunisia
Phase II: Programming mission, consensus with Government, identification of counterpart, drafting of project document	Brazil/Nordeste, Egypt, Guyana, Mauritius*, Namibia*, Paraguay, Peru, Senegal*, Russian Federation (Rostov), Uganda
Phase III: Recruitment of staff, including the director, establishment of Advisory Board, installation of project, initial Entrepreneurship Training Workshop	Bolivia, Guatemala, Jordan, Palestinian Territory, South Africa*
Phase IV: Operationalization of full project, putting in place basic training and services, certification of local trainers, setting up a national association. Establishing of legal entity (foundation, association, etc.)	Botswana*, El Salvador, Ethiopia, Panama, Morocco, Mozambique, Nigeria
Phase V: Maturity of project, offering customized training and other services, progress toward financial self-sustainability	Argentina, Brazil, Chile, Colombia, Ghana, Uruguay, Venezuela, Zimbabwe

* *Programmes implemented through Enterprise Africa.*

Statistical data on "core activities" (year 2000)

227. *EMPRETEC Entrepreneurship Training Workshops:* a total of 265 workshops were conducted in 15 countries, reaching 6,800 selected participants with 67 per cent of them requesting follow-up services from their corresponding EMPRETEC Local Centres. Women participants during 2000 made up 38 per cent of the total.

(b) Mediterranean 2000: Institution-building in entrepreneurship

228. ***Development context:*** Mediterranean 2000 is a unique multi-country and multi-agency programme which brings together the products and services of a number of agencies to foster the institutional capacity to promote entrepreneurship and SME development. The central purpose of MED 2000 — a three-year capacity-building programme — is to contribute to economic and social development by strengthening institutional capacity to support small and medium enterprises (SMEs) to grow and compete in 10 developing countries in the Mediterranean Basin and the Horn of Africa.

229. Objectives:

- To address critical needs to create the enabling policy environment for investment, innovation and enterprise development;
- To nurture a culture of entrepreneurship and innovation;
- To foster an entrepreneurial capacity that enables SMEs to meet the challenges and opportunities of globalization as well as to engage in continuous innovation;
- To promote truly global electronic commerce by facilitating access of SMEs to information technologies.

230. ***Features:*** Through policy reviews, entrepreneurship training and networking, trade facilitation and other follow-up support services, including raising awareness of international standards, the programme assists policy makers, institutions and SMEs of the region to enhance their entrepreneurial and innovative capacity, build their technological competency, improve the quality of their products, facilitate their access to trade financing, strengthen their export skills and trade efficiency, establish business linkages, and thereby help them to improve their international competitiveness. Mediterranean 2000 has been designed in a modular fashion so that it can be tailored to individual country needs and demands for the above activities. Therefore, the particular set of activities can vary from country to country. It delivers these different products and services to beneficiary countries through interagency cooperation involving ISO, ITC and UNCTAD.

231. ***Summary of results:*** During 1999/2000 activities were initiated or consolidated in the following countries: Egypt, Ethiopia, Jordan, Lebanon, Morocco, the Palestinian Territory, Tunisia, and Uganda. In Ethiopia and Morocco, activities are well advanced in terms of EMPRETEC and Trade Points. In Egypt, Jordan and the Palestinian Territory, the Trade Points are also well advanced. Two Investment Policy Reviews have been conducted in Egypt and Ethiopia, and an Investment Guide has been produced for Ethiopia. Three formal interagency meetings have taken place as well as many informal consultations. A promotional folder and stand on MED 2000 have been produced to raise awareness of the programme within the ten beneficiary countries.

- *Ethiopia (Phase IV).* The Enterprise Ethiopia programme was formally launched on 17 December 1999, to coincide with the graduation ceremony of the first Entrepreneurship Training Workshop (ETW). Installation of the EMPRETEC Programme model by the EMPRETEC Ghana Foundation, including a Management Information System, is nearly

completed; two assignments remaining outstanding: the seminar on developing linkages with foreign companies, and the loan monitoring scheme. To date four ETWs with a total of 108 participants have been held in Addis Ababa and Bahir Dar as well as two Business Counselling workshops and a Financial Management & Businessplan Preparation workshop.

- *Jordan (Phase II).* Key stakeholders were identified and a project proposal was prepared. A brief background study was conducted to assess the Jordanian SME sector and the institutional set-up and an implementation strategy was prepared. Cooperation and co-funding arrangements were negotiated with other international and national donors. A local staff was inducted and undertook a study tour to Latin America to learn about programme operations and to establish business networking links with other EMPRETEC programmes. To maximize funding, it was decided to implement training activities jointly with the EMPRETEC programme in the Palestinian Territory.
- *Lebanon (Phase II).* In spring 2000, a first fact-finding mission was undertaken to assess the need and the viability for an EMPRETEC programme in Lebanon. An initial concept document was prepared and additional funding is sought for a project launch in 2001.
- *Morocco (Phase III).* In April 2000, a mission was undertaken to discuss the consolidation and institutionalization of the EMPRETEC programme. A study commissioned by the Ministère du Développement social, de la Solidarité et de l'Emploi on the assessment of the SME sector in Morocco was completed in February 2001. In December 2000, a plan of action for EMPRETEC Morocco phase II was signed between UNCTAD and the *OFPPT (Office de la formation professionnelle et de la promotion du travail)*, the national counterpart. The Moroccan EMPRETECos Association is being founded.
- *Palestinian Territory (Phase II).* In close cooperation with UNCTAD's Special Coordinator for Palestine, a comprehensive background study was conducted to assess the constraints of SME development in Palestine and to identify options to implement an EMPRETEC Programme. Based on the study, a comprehensive project document was prepared and negotiated during the programming mission in April 2000. Agreement on implementation and funding modalities was reached with the institutional counterpart, the Palestinian Development Fund, and support was secured with the different political authorities.
- *Uganda (Phase II).* Two missions to Uganda were undertaken in June and November 2000 to discuss the Enterprise Uganda programme with UNDP and the Government.

(c) Other SME development programmes

(i) *Enhancing public-private sector dialogue in LDCs*

232. ***Features:*** Under this project four reports on: Ethiopia, the United Republic of Tanzania, Cambodia and Madagascar will be produced. They will examine, among other things, the following issues: (i) the extent to which public-private sector dialogue has resulted in a coherent

policy framework in the areas of enterprise development; (ii) the structure of the dialogue in terms of its objectives, its participants and the issues addressed; (iii) the mechanisms for public-private sector interaction; and (iv) the particular problems of SMEs in engaging in dialogue with the Government and how they are being resolved. These reports will form the basis for policy recommendations and background material for seminars at the national level.

233. ***Output/results:*** During the reporting period, programming missions were carried out to all four countries. Significant progress has been made with respect to the reports for Madagascar and the United Republic of Tanzania, which are in the stages of finalization. The identification of a national consultant for Cambodia has proved difficult, however, it is expected that a national consultant will be secured by mid 2001. In light of activities already undertaken and underway by the Government and other international organizations in the area of public-private sector dialogue, alternative joint technical assistance activities are under consideration for Ethiopia.

(ii) National policies and measures for growing small and micro enterprises in LDCs

234. ***Features:*** A study of SME development strategies has been carried out in four LDCs – Burkina Faso, Nepal, Samoa and Zambia. The main areas of focus for the audit were policy coherence at the various levels of Government, the availability of SME development services, the role of business associations and their interaction with Government. The audit was carried out by national consultants on the basis of a framework for analysis and a benchmark study on the key elements of a coherent enterprise development strategy.

235. ***Output/results:*** A synthesis report was published in time for UNLDC III.

(iii) Enhancing the participation of women entrepreneurs in LDC economies

236. This project assesses and reports on the impact that successfully implemented policies have had in promoting women's entrepreneurship. It also identifies those measures adopted at international conferences which have not been implemented but should be in place for women to become and remain entrepreneurs in the formal sector. Reports on enhancing women's entrepreneurship in all nine participating countries of the project have been completed. One study on African LDCs — women entrepreneurs in Africa — was published in June 1999. In June 2000 a Round Table on Women's Entrepreneurship was held in the framework of UNCTAD's seminar on "Integrating LDCs the global economy: selected conceptual and practical issues" (28 June 2000, Geneva). A joint UNCTAD/UNIDO publication entitled "Women Entrepreneurs in Africa: Experience from selected countries" was published. A parallel publication on women entrepreneurs in Asia is being published. A roundtable for women entrepreneurs is to be held in Brussels at the Third LDC Conference and a seminar is being organized for Nepal.

(iv) Creating linkages between TNCs and SMEs

237. Following from the UNCTAD X Round Table (19 February 2000) on TNC-SME links, UNCTAD and Intel Malaysia jointly organized from 8 to 9 August 2000 in Penang, Malaysia an international workshop on technological and managerial upgrading of small- and medium-sized enterprises (SMEs) through linkages with transnational corporations (TNCs). This event involved 250 participants from TNCs, SMEs and SME support agencies from 7 Asian countries, as well as international experts from OECD countries and representatives from UNCTAD, UNDP and UNIDO. It was jointly organized by the Penang Skills Development Centre (PSDC), the Penang Development Corporation (SMIDEC), the American Malaysian Chamber of Commerce (AMCHAM), and the Federation of Malaysian Manufacturers (FMM). Participants exchanged views on successful Asian linkage programmes, particularly those implemented in Penang, and identified a number of best practices, which were considered as conditions for the success of such programmes. These best practices were then discussed both at the Expert Meeting on Linkages (November 2000) and at the Commission on Enterprises, Business Facilitation and Development.

(d) Accounting reform and retraining

(i) Financial accounting and reporting

238. ***Development context:*** The use of internationally recognized accounting, reporting and auditing standards and improved corporate governance contributes to increased transparency at the corporate level. The improved transparency and financial disclosure enhances the image of countries and their businesses in the international market place. Better transparency and improved financial disclosure in turn promotes the growth and efficient functioning of capital markets, and stimulates FDI flows since it assists national and international investors with relevant information necessary for making strategic investment decisions. Moreover, it promotes financial stability and reduces the cost of capital both for countries and the corporate sector. Finally, it enables both Governments and business enterprises to better manage enterprises and economy as a whole. Thus, accounting practices based on international accounting rules as well as good corporate governance are vital elements of economic development

239. ***Objectives:*** The programme's aim is to assist Governments and enterprises to formulate and implement accounting and auditing laws and standards, together with other relevant regulations according to internationally accepted accounting and auditing principles and practices.

240. ***Features:*** Technical assistance projects have been developed over many years on the basis of output from the consultations of the Intergovernmental Working Group of Experts on International Standards of Accounting and reporting (ISAR). They are also consistent with the international standards formulated by the International Accounting Standards Committee and the International Federation of Accountants, as well as the European Union directives. The UNCTAD

programme adapts international standards for use by developing countries and countries with economies in transition, which have many difficulties with interpretation and implementation.

241. ***Outputs/***results*:* The following examples exemplify the activities undertaken in the field of financial accounting and reporting.

242. *Reform of the accounting system in the Russian Federation:* Following the completion of the EU-Tacis and UK KHF funded projects in Azerbaijan, UNCTAD started the execution of another EU-Tacis funded project in the Russian Federation. The project is being implemented by KPMG, one of the large international accounting firms, in cooperation with UNCTAD and Russian Academy of National Economy. The overall objective of the project is to assist the Russian Federation develop and introduce national standards for accounting and reporting in accordance with International Accounting Standards (IAS). UNCTAD is in charge of the SME component of the project. The goal of UNCTAD's part of the project is to draft standard(s) applicable to SMEs that should be broadly in line with IAS.

243. *International Forum on Accountancy Development (IFAD):* IFAD is a recent initiative developed jointly by the International Federation of Accountants (IFAC), the World Bank, UNCTAD and OECD in close cooperation with more than 30 international public and private sector organizations (development assistance agencies, standard-setters for the public and private sectors, capital providers, preparers of financial statements, securities, banking and insurance regulators, international accounting firms etc.) who have agreed to work in partnership to achieve a common mission to improve financial reporting, auditing accountability and transparency worldwide. The partnership also extends to public and private national organizations that are working to implement the IFAD vision at country level. Through IFAD, for the first time this broad range of organizations has developed a consensus on the importance of sound financial reporting, accountability and transparency. By acting as an *international community* of interests IFAD participants intend to have a greater impact and, over time, significantly increase accountability and transparency and improve financial reporting around the globe. Each participating organization retains its autonomy in management, programming and budgets, but each is also committed to more effective and efficient execution through enhanced communication, coordination and cooperation under the IFAD umbrella.

244. IFAD's main focus is to assist accountancy development in developing and emerging market countries. This objective coincides with UNCTAD developmental initiatives in developing countries and economies in transition. Achievement of the IFAD vision promises many potential benefits. High-quality financial information about corporate and other economic entities is a significant micro-economic complement to effective macro-economic policies that together contribute to international financial stability and global economic and social development.

245. Among the potential benefits for individual countries and national markets are:

- Effective integration into the international economy;

- Improved national financial stability;
- Development of better functioning and more resilient financial markets, including lower capital costs;
- Enhanced ability to attract foreign investors and lenders;
- Helping Governments and enterprises more effectively manage their enterprises and national economies and address the problem of corruption.

246. Furthermore, the possible public recognition by IFAD, as representative of the international community, can also enhance the image of a country and its businesses in the international marketplace. The Forum held its first meeting in New York in June 1999, its second in Paris in October 1999, its third in Washington in March 2000 and its fourth in London in November 2000.

247. UNCTAD is an active participant in the IFAD initiative. In addition to participating in all meetings of IFAD, UNCTAD arranged in March 2000 consultations with six potential pilot developing countries to explain the vision and to obtain their feedback and critical comments about the IFAD initiative. They were invited to offer what concrete and practical steps could be taken to make the IFAD initiative effective and useful for potential pilot countries. At present consultations with pilot countries continue. Some of them have already established National Steering Committees and are in the process of undertaking a gap analysis in order to identify the differences between internationally accepted standards and national standards and practices. Based on gap analysis country action plans will be developed.

248. *International Association for Accounting Education and Research (IAAER) and Education Committee of International Federation of Accountants (IFAC EdCom):* IAAER is a 13 year old initiative of academics and researchers in the area of accounting and finance. It is a global forum of 40 of the world's leading academic and professional associations and 800 individuals from 62 countries. They are united by the common goal to maximize the contribution of academic accountants to the development and maintenance of high quality, globally recognized standards of accounting practice. One of most important functions of the IAAER is to represent academics with major international standards-setting bodies in the area of accounting and audit such as International Accounting Standards Committee (IASC) and International Federation of Accountants (IFAC).

249. IAAER has a specific Task Force to support the ISAR project on professional qualification. IAAER has just completed a project on developing a paper on Implementation of IFAC International Education Guideline 9 (IEG 9), on the basis of which ISAR Guideline had been developed. UNCTAD is a member of the Task force which produced this paper. The paper will be published in such prestigious international journals as the "Journal of international financial management and accounting", which will enhance dissemination of the results of ISAR activities in the area of professional qualifications.

250. UNCTAD plays an important role in further development of IAAER by serving as its Vice-President on Education and an executive committee member. One of functions of the Vice-President on Education is to represent IAAER at the IFAC EdCom which is one of seven IFAC standing Committees. The Committee develops guidance, conducts research and facilitates the exchange of information to insure that accountants are adequately trained to meet their responsibilities to the public and their employers and to contribute to the world-wide harmonization of the profession. An important Committee focus is assisting developing nations and nations in transition in the advancement of accounting education. EdCom is comprised of leading authorities in the area of accounting education of IFAC member countries. IAAER as an Observer has a role of advising IFAC EdCom members on the IAAER position on and contribution to the world-wide education and training developments. Such cooperation with IAAER gives UNCTAD the additional dimension of joining efforts with the IFAC, in particular, efforts on practical implementation of the ISAR Guideline on national requirements for the qualification of professional accountants and on identifying areas for technical assistance to developing and transitional economies in order to enable them to achieve required international standards of professional qualification.

251. *South* Eastern *European Partnership on Accountancy Development (SEEPAD):* SEEPAD is another recent accounting reform initiative developed jointly by USAID and OECD in close cooperation with UNCTAD. Its objective is to promote internationally recognized standards on accounting, auditing and ethics, accountability and improved corporate governance, and to raise the standing of the region's accountancy sector, and in particular to build strong and sustainable national self-regulatory accounting and auditing bodies. It also aims to contribute to the development of training and certification programmes, professional accountancy qualification, help identify appropriate legal and regulatory frameworks, and increase regional and international cooperation, thus facilitating the increased inflow of FDI into the region.

252. The SEEPAD initiative is a network consisting of 9 professional accounting and audit associations, in addition to government representatives, in South Eastern Europe. The initiative has rapidly gained international recognition and was recently selected as a flagship initiative under the European Union Stability Pact. SEEPAD was launched in December 1999 in Sinaia, Romania. At the meeting, professional accountancy and audit bodies from the region and international organizations (USAID, OECD and UNCTAD) agreed on a common mission, objectives, framework and programme of work and signed a Memorandum of Understanding, establishing SEEPAD.

253. To date, SEEPAD has held four meetings. The first meeting was held in Sofia in March 1999, the second in Banja Luka in June 1999, the third in Tirana in September 2000 and the fourth in Sarajevo in December 2000. The topics addressed include:

- Legal and regulatory frameworks and public-private sector partnerships;
- Professional education, training and certification programmes for accountants and auditors;

- Implementing international standards on auditing, ethics, auditor's independence and quality control and;
- Implementing international accounting standards.

254. UNCTAD has actively participated in SEEPAD activities. In addition to participating in all SEEPAD meetings, UNCTAD has provided important and much appreciated assistance in the creation of SEEPAD. Furthermore, UNCTAD representatives made presentations at each of the meetings and two meetings were chaired by an UNCTAD representative. In addition, *ISAR Guideline on national requirements for the qualification of professional accountants* was adopted as a benchmark for professional accounting education programmes in the region.

(ii) Environmental Accounting Workshops

255. ***Development context:*** It is clear that the conventional accounting model is not able to assess an enterprise's environmental performance and its impact on financial performance to the degree desired by all stakeholders. This is because the conventional model was developed to provide information only on the financial position and performance. Since the UN Conference on Environment and Development, held Rio de Janeiro in 1992, the business community has become committed to the concept of sustainable development and to improving its environmental performance. On the other had, various stakeholders are demanding that enterprises report on these improvements. In particular the financial community is concerned about how environmental performance affects the financial results of an enterprise.

256. ***Objective:*** The immediate objective is to improve environmental financial accounting and reporting by enterprises for the benefit of the external users of the annual reports and financial statements by providing guidance both to standard-setters and to preparers and users of financial statements. Such an improvement would come about by disseminating the ISAR guidance on "Accounting and Financial Reporting for Environmental Costs and Liabilities". The boundaries of the conventional accounting model should be extended by making the link between financial performance and environmental performance through standardizing environmental performance indicators (EPIs). These EPIs should also be disseminated. Finally, the content and format of environmental reports should also be standardized so that they are comparable and user-friendly.

257. ***Outputs/results:*** In 2000 with the financial assistance of the World Bank three national and regional workshops were held in Argentina, Brazil and the Czech Republic to disseminate ISARs recommendations on environmental accounting. Furthermore, over 30 trainers from 17 counties with background in teaching attended the first train-the-trainers workshop on environmental accounting and reporting held in November 2000 in Geneva. In the context of the programme, in 2000 several publications were produced: Environmental Accounting and Financial Reporting: Training Manual; Integrating Environmental and Financial Performance at the Enterprise Level:

A Methodology for Standardising Eco-efficiency indicators; the Reference Manual of Best Practice Examples; and Environmental Financial Reporting in the Steel Industry.

- *Czech Republic* (24–25 February 2000). Over 60 practitioners attended the workshop. It was jointly organized with the Czech Union of Accountants, the Chamber of Auditors, and the Regional Environmental Centre for Central and Eastern Europe. A high level segment for policy makers was also held to discuss the current state of environmental accounting and reporting in the Czech Republic. The objective is to make policy makers aware of the appropriate and workable techniques to understand and decide upon the interrelationships between financial and environmental performance. Among the invited guests, were the Minister of Environment, Minister of Finance, Minister of Industry and Trade, President Czech Union of Industry, Czech Ecological Management Center (CEMC) and journalists of economic and financial daily and weekly papers.
- *Brazil* (21–23 March 2000). Some 70 senior industry representatives, financial and environmental analysts and accountants from the Brazilian steel industry, chemical industry, the Brazilian Steel Institute (IBS), the Brazilian Development Bank (BNDES), attended the three-day workshop on Environment Accounting and Reporting. The workshop was organized by UNCTAD and the Brazilian Steel Institute (IBS). Mr. Marco Polo de Mello Lopes Executive Director of IBS and Ms. Beatriz Azeredo inaugurated the workshop. One of the key issues identified by the participants was the lack of standardized environmental performance indicators.
- *Argentina* (26–27 October 2000). Over 60 practitioners, industry representatives, financial and environmental analysts attended the workshop in Buenos Aires. It was jointly organized with the Instituto Argentino de Siderurgia (IAS). Mr. Hugo Untersander Director General Argentine Iron & Steel Institute opened the workshop. Local issues on environmental management and accounting were presented by Mr. Pablo de Santiago of Asinder S.A. Mr. Carlos Pineiro gave a presentation on the Argentine experience in environmental performance indicators (EPIs) and environmental reporting.
- *Geneva* (20–24 November 2000). Thirty-two trainers from 17 countries attended the first train the trainers workshop on environmental accounting and reporting. Members of professional institutions and business associations were among those trained, thus leaving the national accounting institutes, institutions of higher learning and other interested organizations with the capacity to continue this training.

B. DIVISION ON INVESTMENT, TECHNOLOGY AND ENTERPRISE DEVELOPMENT

(in US Dollars)

Project number	Short title	Duration	Status in 2000	Source of funds	Total budget	Cumulative expenditure	Expenditure 2000
Investment issues analysis							
MAR/97/001	1) Workshop of Financial Risk Management	1998 -	Ongoing	UNDP	63,500	60,585	41,138
	2) Investment policy review of Mauritius						
INT/93/A44	United Nations Trust Fund on Transnational Corporations	1993 -	Ongoing	Multidonors	2,448,245	2,534,380	77,773
INT/93/A50	Transnational corporations and industrial restructuring in developing countries	1993 1998	Ongoing	Denmark	391,060	383,828	438
INT/95/A14	The New Globalism and Developing Countries: Investments, Trade and Technology Linkages in the 1990s	1995 -	Ongoing	Netherlands	62,071	67,553	8,701
INT/96/A20	Policy-oriented case studies on interlinkages between foreign direct investment, trade and technology	1996 1999	Ongoing	Netherlands, Hong Kong (China)	395,920	373,677	60,810
INT/97/A12	Feasibility studies on the creation of private risk capital funds for LDC's	1997 2001	Ongoing	Norway	135,600	107,527	17,618
INT/97/A26	Multilateral framework on investment	1997 -	Ongoing	Multidonors	2,355,255	2,201,429	362,311
INT/98/A36	World Investment Report 1998	1998 2001	Ongoing	Norway	365,476	190,374	40,104
INT/98/A37	Building capacity in the Least Developed Countries to attract foreign investment through venture capital funds	1998 2000	Ongoing	Norway	299,000	84,799	80,000
INT/98/A40	Investment Guides and capacity building for Least Developed Countries (LDCs)	1998 2001	Ongoing	Multidonors	743,363	471,711	214,748
INT/99/921	Needs assessment to attract Asian FDI investment to Africa (Phase I)	1999 2001	Ongoing	UNDP	300,000	166,763	115,498
INT/99/A71	World Investment Report 2000	1999 2000	Ongoing	Sweden	100,000	124,607	124,607
INT/00/942	Strengthening of South-South Investment Cooperation	2000 2001	Ongoing	-	287,430	222,646	222,646
INT010BG	Capacity building on international investment agreements	2000 -	Ongoing	Multidonors	7,040,000	45,404	45,404
RAS/97/A07	Regional seminar on the possible multilateral framework for investment in Asia	1997 2000	Completed	European Commission	66,567	71,581	-449
RER/95/A02	Raising awareness of foreign direct investment issues in Poland	1995 2001	Ongoing	Poland	14,362	3,513	1,515
				Total: Investment issues analysis	15,067,849	7,110,377	1,412,862

Project number	Short title	Duration	Status in 2000	Source of funds	Total budget ($)	Cumulative expenditure ($)	Expenditure 2000 ($)
Investment policies and capacity-building							
ALB/93/014	Investment promotion in Albania	1993 2001	Ongoing	UNDP	433,000	422,438	8,981
BOL/99/A72	Strengthening investment promotion - Implementation of the National Investment Promotion Strategy	2000 2002	Ongoing	Switzerland	209,600	29,431	29,431
DJI/00/001	Etude pour l'implantation de Zone franches Commerciales, industrielles et de services a Djibouti	2000 2001	Ongoing	UNDP	70,800	19,500	19,500
ECU/99/013	Investment policy review of Ecuador	2000 2001	Ongoing	UNDP	27,273	25,873	25,873
EGY/99/A62	Training of Egyptian diplomats in investment promotion	1999 2001	Ongoing	Egypt, Switzerland	84,071	40,497	40,497
JAM/99/A69	Scoping study on electronic commerce and the music industry in Jamaica	1999 2000	Ongoing	Canada	12,039	9,791	5,679
JOR/98/008	Competitiveness study and action plan on investment promotion for Jordan's minerals sector	1999 2001	Ongoing	UNDP	120,000	74,599	74,599
MAU/98/003	Appui au secteur prive dans le cadre de la lutte contre la pauvrete	1998 2001	Ongoing	UNDP	54,800	39,724	-276
PER/97/041	Revision de politices de inversion de Peru	1998 2001	Ongoing	UNDP	103,840	61,367	11,721
SAU/00/009	Modernization of the legal and fiscal framework for foreign investment and capacity building for Saudi Arabia General Investment Authority (SAGIA)	2000 2001	Ongoing	UNDP/IPE/TRAC	50,000	36,997	36,997
STP/95/002	Amelioration du regime d'investissement	1995 2001	OPC	UNDP	221,438	214,565	23,127
UGA/97/014	Investment Policy Review	1997 2001	Ongoing	UNDP	190,000	186,775	69,421
ZIM/99/004	Investment Policy Review of Zimbabwe	1999 2001	Ongoing	UNDP, UNCTAD	70,000	38,647	-8,863
INT/91/A17	Technological dynamism and R&D in exports of manufactures of developing countries	1991 -	OPC	Sweden	507,754	506,683	4,754
INT/95/A90	Micro-Banques	1995 2000	Ongoing	Luxembourg	657,831	656,179	-366
INT/96/A60	Promotion of foreign investment in developing countries	1996 2000	Ongoing	Netherlands	320,000	297,339	-2,999
INT/97/A33	Support to national investment policy reviews	1997 2000	Ongoing	Switzerland	200,000	207,588	24,567
INT/97/A44	Quick response window for ASH	1997 -	Ongoing	Switzerland	643,989	557,817	112,370
INT/99/A11	Support to the World Association of Investment Promotion Agencies (WAIPA)	1999 2000	Ongoing	WAIPA	122,175	112,295	68,407

Project number	Short title	Duration	Status in 2000	Source of funds	Total budget ($)	Cumulative expenditure ($)	Expenditure 2000 ($)
INT/99/A33	Micro-Bank	1999 2001	Ongoing	Luxembourg	678,000	224,706	190,297
INT/99/A34	Crossborder Environmental Management in TNCs	1999 2001	Ongoing	Denmark	96,991	51,203	7,767
INT/99/A37	Support to WAIPA in providing a forum for exchange of experiences among investment promotion agencies (IPAs)	1999 2001	Ongoing	Ireland	129,158	105,601	41,650
RAF/94/A38	Developpement de marchés des assurances competitifs	1994 -	Ongoing	Luxembourg	1,171,000	1,092,329	15,293
RAF/99/A63	Changing Africa's image as an investment location	1999 2000	Ongoing	Sweden, France, France	21,528	15,316	15,316
		Total: Investment policies and capacity-building			**6,195,287**	**5,027,260**	**813,743**
Technology and Enterprise							
AZE/96/A53	Training of auditors	1997 2000	Ongoing	European Commission	1,306,076	1,181,683	-93
AZE/99/A16	Training of auditors	1999 2000	Ongoing	United Kingdom	50,000	49,675	17,752
RUS/98/002	Preparatory Assistance for the establishment of EMPRETEC in the Rostov region - capacity building to foster SME growth and competitiveness	1998 -	Ongoing	UNDP	25,000	23,683	-1,317
SOM/97/014	Private sector and trade development programme	1998 2000	Ongoing	UNDP	120,001	98,069	3,745
INT/89/A25	Trade-related public enterprises in low-income countries	1989 1997	OPC	Italy	944,513	937,781	-123
INT/96/A57	Blueprint for green accounting	1997 -	Ongoing	World Bank	596,827	485,890	152,423
INT/96/A59	Commission on science and technology for development	1997 -	Ongoing	Netherlands	462,790	441,529	12,483
INT/97/A42	Enhancing public-private sector dialogue in LDCs	1999 2000	Ongoing	Netherlands	130,000	29,128	29,128
INT/98/A33	Mediterranean 2000	1998 2001	Ongoing	Italy	4,424,824	1,365,988	416,102
RAF/96/014	Enterprise Africa: Strengthening SME Creation, Development and Regional Integration	1996 2002	Ongoing	UNDP	365,377	164,177	46,300
RAF/96/A44	African Commodity sector diversification through South-South cooperation	1996 2002	Ongoing	Japan	472,411	320,070	126,414
RAF/97/A52	Centres for Innovation and Enterprise Development (CIEDs) Pilot	1997 -	Ongoing	Canada	204,897	197,203	16,321
RLA/96/A37	Empresa y tecnologia para el siglo XXI (EMPRETEC)	1996 -	Ongoing	Spain	773,658	823,860	4,349
			Total: Technology and Enterprise		**9,876,374**	**6,118,736**	**823,484**
Total: DIVISION ON INVESTMENT, TECHNOLOGY AND ENTERPRISE DEVELOPMENT					**31,139,510**	**18,256,373**	**3,050,089**

D. Division for Services Infrastructure for Development and Trade Efficiency

1. Trade logistics

(a) Advance Cargo Information System (ACIS)

258. ***Development context:*** Inefficient transport systems have a major negative impact on economic development; this results in exorbitant transport costs, delays, pilferage and eventually loss of markets for export goods or increased prices of import goods. ACIS is designed to make transport systems more efficient by providing the required information on goods and transport equipment.

259. ***Objectives:*** ACIS provides operational and financial information so as to increase the transparency of the transport sector and enable management to identify problems with a view to finding solutions. The information provided to the shipper "live" gives the whereabouts of cargo, and the information provided to the operational management increases the efficiency of the network. Medium- and long-term investment planning is enhanced through the aggregate statistics and performance indicators that ACIS produces automatically.

260. ***Features:*** Of the four components of ACIS, designed to track, respectively, cargo on rail, at ports, on rivers and on roads, RailTracker, LakeTracker and PortTracker have attained a level of performance enabling them to be installed on any relevant network. Authorized shippers now have the capability to track and trace their cargo via the Internet on a number of railway networks.

261. ***Outputs/results/impact:*** The installation of ACIS in Eastern and Southern Africa was pursued. At the end of 2000 the national *RailTracker* systems were tested to inter-link successfully with the South African Railways tracking system to provide a seamless monitoring tool for rolling stock and cargo, the latter for direct access by the shippers through Internet. The project with the COMESA secretariat, funded by the European Union, is ending its first phase and the tracking systems are being handed over to the beneficiary operators in early 2001. The current bridge phase is preparing for further activities in Eastern Africa including the Horn of Africa. The USAID-funded part of ACIS activities in Southern Africa, under the auspices of SADC and SARA, will be commissioned at the end 2001. It is appropriate to report that all the railways of the sub-region that are using RailTracker have already constituted a sub-regional network. RailTracker in the Bulgarian State Railway is under implementation with a partner.

262. In the meantime the implementation of *PortTracker* is being finalized in Eastern Africa; this module is now being installed in Iran (Bandar Abbas) and in Lebanon (Beirut). In Iran (Islamic Rep. of), local expertise customized the system and translated it into Persian. The Government of the Islamic Rep. of Iran funds this project with a contribution from UNDP. It is also relevant to

report that Iranian expertise was seconded to the project in the Port of Beirut to assist in the customization process thereby reinforcing the transfer of technology to the sub-region and future sustainability. The Port of Beirut is currently translating PortTracker into Arabic. This project is funded by a World Bank loan.

263. A *Border Pass Monitoring System* has been developed for the land-locked country of Nepal to monitor road traffic at the three principal border posts with India. It is currently under installation. Similarly, for Nepal, a freight transit monitoring system has been developed to monitor containerized rail traffic between the Port of Calcutta and Nepal.

264. *Proposals for ACIS* were submitted to the following countries: Egypt, Thailand, Sri Lanka, Nigeria, and Guatemala. Funding is currently being sought. Negotiations are ongoing with Brazil, Pakistan and Viet Nam.

265. With regard to sustainability, an important landmark was the signature in 2000 of Maintenance Contracts between the beneficiary railways and UNCTAD subsequent to commissioning of the software. The operators themselves fund these contracts, which is proof of their commitment to using ACIS to improve the efficiency of the transport sector.

(b) Ports, shipping and training

(i) Ports and Trade Efficiency for the Economic Recovery of Somalia and Support to cross-border initiative

266. ***Development context:*** The overall objective of the UNDP-financed projects is to contribute to the peace-building process in the country by promoting economic recovery and governance for about 35 per cent of its population which inhabits the North West and North East regions.

267. ***Objectives:*** The specific objectives focus on the improvement of port services to Somali traders by joint efforts of the port authorities and port communities of Berbera and Bosaso; the training of operational and administrative personnel to make those improvements sustainable; and the development of policies and strategies to foster trade in those regions, such as a transit agreement with Ethiopia.

268. ***Features/outputs/results:*** The project is a continuation of previous UNCTAD interventions that started in 1993 and is scheduled to finish mid-2001. During 2000, there were two developments that had positive impact on project execution. First, trade continued to increase and reached almost 800,000 tonnes for the two ports. Second, North-West Somalia was increasingly used as a transit corridor for commercial and relief cargo going to Ethiopia.

269. Vocational and port training continued to be delivered by local instructors to benefit operating and administrative personnel of public and private bodies functioning in the ports of Berbera and Bosaso. Around 420 officials and students from the city were trained in 2000 in 12 short courses lasting less than a week and 4 long courses lasting up to nine months on management, accounting and economics. Statistics and financial information is now regularly collected and statements prepared by the port authorities to help decision-makers. Also, on-the-job training was provided to carpenters, masons, welders and mechanics. This human resource development has resulted in the two ports providing a better service to users and improved the control of revenue collected.

270. The conflict between Ethiopia and Eritrea resulted in increased cargo volumes, both commercial and relief, being handled through Berbera destined for Ethiopia. Following the assessment of transit arrangements made last year, work is progressing on improving the existing road from Berbera to Ethiopia, rebuilding the bridges along that road, the rationalization of border controls to speed up trade, the establishment of a transit framework and the development of a transit agreement. The project has played a key role in the implementation of these last two activities.

(iii) Assisting Indonesian private sector participation in maritime and related services

271. ***Development context:*** To meet the requirements of globalization of manufacturing and trading, an increasing number of developing countries are undertaking activities to open maritime markets and to transfer ownership of maritime assets from the public to the private sector. This is being done through Government policies that provide the private sector with the necessary tools to compete effectively in liberalized markets.

272. ***Objectives/features:*** The project comprehensively assesses national maritime transport policies and practices with the aim of improving sector competitiveness and ultimately of promoting imports exports in the regional and international markets in a liberalized trading environment. To this end, the project has made policy proposals aimed at strengthening the framework for private sector participation in the maritime transport sector (suppliers and users) and is providing management training through seminars to local operators.

273. ***Outputs/results:*** The project has provided the Indonesian Government with a number of proposals on action to be taken to improve the framework for private sector participation in maritime transport. These proposals were discussed at a national maritime sector policy meeting organized by the project. On the basis of the lessons gained from the seminars and discussions conducted during this project, organizations of the Government of Indonesia and the private sector in shipping and their associations jointly elaborated plans for future action aimed at improving the operating environment of the Indonesian maritime industry.

274. In addition, five training courses for nearly 120 managers from shipping and port service providers as well as Government organizations were conducted from late 1998 to the end of 2000 on strategic planning in shipping companies, port management and port pricing.

(iii) Training: Strategic planning for senior shipping managers (STRATSHIP)

275. ***Development context:*** A vital aspect of development is the ability to competitively trade in the world economy. Efficient maritime transport services are a prerequisite to reach overseas markets, as the incidence of freight and insurance costs is particularly high for developing countries exports and a decisive factor in determining the marketability of developing countries goods.

276. ***Objectives:*** The global shipping industry is characterized by rapid technology change, consolidation of companies, large capital investments, high risk and a critical demand for well-trained management. The goals of Stratship are to improve the performance of shipping management through human resource development.

277. ***Features:*** Stratship workshops generally last three working days and are based on a mixture of presentations, case studies and a computer-based management game. The main purpose of the computer simulation is to reinforce the concepts developed in the workshop, create actual decision making experiences and up-grade management skills in a competitive environment.

278. ***Outputs and results:*** To date more than 40 Stratship workshops have been delivered (one in 2000), and over 820 participant national counterparts trained. Evaluations by participants continue to be very positive. Specific comments emphasize the usefulness of the training in strategic planning activities, increasing competitiveness and improving overall company performance. These were particularly evidenced in the above-stated projects activities.

(c) Multimodal transport and trade facilitation

279. ***Development context:*** Seller and buyer in a domestic trade transaction benefit from a unique (national) trade environment in which they both know the conditions and limits of trade and transport systems supporting their transaction. In an international trade transaction, the seller's and buyer's respective environments might be quite different, thus generating unnecessary, time- and resource-consuming barriers.

280. In the areas of multimodal transport and trade facilitation, UNCTAD's technical cooperation activities aim at establishing a favourable domestic environment for international trade transactions, based on effectively implemented international instruments, on recognized best commercial practices, and on common standards. These activities recognize the critical

importance of border-crossing points, key locations where discrepancies between buyers and sellers domestic trade environments are being exacerbated.

281. The UNCTAD's technical cooperation not only identifies the required improvements to the physical features of existing transport networks, but also proposes specific actions to make the best use of available trade and transport related assets, eliminating — wherever possible — any barrier that might increase the transaction costs and create unnecessary delays. This includes improving the performance of transport operators and auxiliary services, changing the commercial behaviour of traders, harmonizing administrative and commercial procedures and documents, and introducing innovative relations between public institutions and transport providers and users (the "software") of international trade and transport.

282. ***Output/results/impact***:

- *Nepal:* In early 1998, His Majesty's Government (HMG) of Nepal initiated the implementation of a $28.5 million infrastructure development project. To complement this development project and secure the best use of the future installed capacity, HMG requested UNCTAD to execute a technical assistance project aimed at the promotion of the trade and transport sector of Nepal. The foreseen duration of the project was 36 months, with the project's conclusion planned for the end of February 2001.
- The principal development objective of HMG's Multimodal Transit and Trade Facilitation Project is to reduce transport costs associated with Nepal's imports and exports. A second set of project objectives aimed at streamlining trade and transit procedures and at improving the efficiency and organization of transit trade documentation and data exchange. This includes the modernization of the Customs clearance process at the three border points with India. The project has been structured into three components: the Multimodal Transport and Trade Facilitation component; the ACIS component; and the ASYCUDA component.
- In 2000, the Trade Facilitation Section continued to backstop the execution of this multimodal transport and trade facilitation project. Because of the substantive and administrative complexity of the project, and the necessary co-ordination with the World Bank in Washington, this backstopping activity consumed a fair amount of UNCTAD staff time. UNCTAD carried out six backstopping missions to Nepal, while International Consultants carried out 4 missions (approximately 4 man-months in total) and a number of thematic workshops had been delivered under the direction of international and national consultants.
- Most of the project activities were scheduled to be completed by the end of December 2000. However, because of delays in negotiations between HMG and the Government of India on transit agreements (railway operations and border crossing procedures), a number of UNCTAD's activities had to be suspended, subject to the conclusion of these agreements. In order for UNCTAD to complete its activities, it was therefore decided to extend UNCTAD's contract from end of February 2001 to end of December 2001.
- *Preparation for the execution of a project on Trade Facilitation in Pakistan:* The Government of Pakistan (GoP) has requested UNCTAD to provide technical assistance

in the area of trade facilitation, to be financed through a loan from the World Bank. Preparations and contacts were made with the GOP and the IBRD for the implementation of this project. Moreover, initial steps towards the recruitment of the necessary consultants were taken.

- The purpose of the overall project is to correct in-bred inefficiencies in the trade and transport system through a Trade and Transport Facilitation Component (the Facilitation Action Programme). The objectives of this Action Programme are to improve Pakistan's international competitiveness through simplified export and import documentary procedures, modernization of related legislation and the creation of a national capacity to solve potential problems between the transport users and providers and the public sector in an expeditious fashion. As well the programme will determine the requirements for well-functioning domestic refrigerated produce "cold chain". UNCTAD's contribution is expected to prepare draft trade and transport facilitation documents, procedures and transport legislation, together with guidelines for improved logistics for perishable commodities.
- *ECO Countries:* The Section prepared, jointly with ESCAP, a proposal for a project on trade facilitation for the Economic Cooperation Organization (ECO) member countries. This proposal has been approved and funds are now available for a joint ESCAP-UNCTAD execution to be initiated in 2001. Within the framework of an initiative to strengthen cooperation between the ECO and UNCTAD in building capacity in the area of trade efficiency and cooperation, UNCTAD contributed to the execution of the UNDP-financed regional project RAS/97/760 (Support to ECO Member Countries in Trade Efficiency and Economic Cooperation). Project activities included participation, presentation and follow-up of the recommendations made in the earlier joint UNCTAD/ECO missions to the region.
- The objectives of the missions were to review the interest and need among the ECO member States to develop a longer term partnership programme with UNDP/UNCTAD through ECO, that will contribute to modernize, rationalize and create efficient trade infrastructure facilities and management of trading operations. It will also strengthen the economic integration process through trade cooperation among ECO member countries and outside the region. In addition, the mission identified the opportunities for cooperation between ECO member States and UNCTAD in the field of trade and transport facilitation and in the reform and modernization of Customs procedures. Based on the needs assessment, UNCTAD and ECO have formulated a full-scale programme of technical assistance in the above-mentioned areas for which funding is being organized.
- An UNCTAD staff member of the section participated in a joint UNDP-UNCTAD inception mission of the Silk Road Area Development Programme in 2000.
- *Palestinian Authority:* In 2000, UNCTAD continued to contribute to the execution of the UNDP-financed project RAF/96/001 (Promoting the Palestinian Authority's cooperation with Egypt and Jordan). UNCTAD's Trade Facilitation and Transport Sections carried out two missions. One was to Gaza to give advice on the establishment of the Palestine Seaport Authority. Another was to PALTRADE, as a follow-up of the workshop on

Promoting the PA's cooperation with Egypt and Jordan in improving sub-regional trade-related services (Ramallah, 19-21 June 1999). Follow-up work was also carried out in close cooperation with the relevant parts of UNCTAD under Information technology and Customs in Palestine.

- *Joint cooperation UNCTAD-ITC for United Republic of Tanzania:* Within the framework of cooperation between UNCTAD and ITC, and under Inter-Agency arrangements agreed upon with ITC, an in-depth study on trade facilitation issues in the United Republic of Tanzania was completed and presented to the Government for consideration. This study was part of the ITC-executed project URT/97/004 (Assistance for Capacity Building in Economic Management and Private Sector Development in the United Republic of Tanzania). The outcome of the study is expected to assist the Government in the implementation of the most suitable measures in the area of trade facilitation, particularly aimed at private sector's transactions.

2. The ASYCUDA Programme

283. ***Development context:*** A well-functioning customs administration is an essential part of a country's good governance policy. Customs departments have a wide area of responsibility, including helping the Government to deal with national, regional and international policies associated with revenue collection and the combating of fraud; the import of prohibited and restricted goods; providing trade data for Government analysis and planning; and physical control and examination of cargo. For a variety of reasons many administrations are unable to comply with their responsibilities and many areas are often neglected or poorly dealt with.

284. ***Objectives:*** The Automated System for Customs Data (ASYCUDA) programme is primarily concerned with the technical modernization of customs, including the automation and clearance of goods. One of the ways in which it aims to achieve trade facilitation is by speeding up the clearance process through the use of information technology and the reduction and simplification of customs documentation and procedures. It has also the objective of increasing revenue through the computerization of the customs tariff, thereby automatically calculating duties and taxes. As a complementary, but nevertheless important, by-product of processing customs data, a further aim is to provide both reliable and timely trade and fiscal statistics to assist Governments in their economic planning and publication of trade data.

285. ASYCUDA technical assistance projects are designed to be implemented in the shortest possible time and within the specific institutional and environmental circumstances of each administration. In addition, project implementation activities include a comprehensive training package that allows for the transfer of ASYCUDA know-how and skills to national staff, thus ensuring the programme can be sustained by the national administration.

286. ***Features:*** ASYCUDA is a computerized customs management system covering import and export procedures, as well as all other internationally recognized customs regimes, including transit and warehousing. It takes into account international codes and standards established by ISO,

WCO and the United Nations. The system has the standard features expected of a modern customs system, based on risk management, including manifest control, transit, declaration processing, accounting and selectivity. It also has a module that allows traders to input declarations directly, as well as an interface to permit the electronic exchange of data between customs and approved third parties, such as banks or airlines.

287. The ASYCUDA Implementation Strategy has been developed and refined, on the basis of 10 years experience. The strategy has been developed to respond to the customs automation programme and is structured in three phases to ensure a low risk, cost-effective approach that provides for national long-term sustainability. The first, pre-installation, phase requires a complete assessment of the current state of customs procedures, including their legal aspects, tariffs and infrastructure. In the second phase, the system is configured in accordance with national regulations and installed at one or two selected pilot sites, where national configurations and procedures are tested, together with the training of staff and the trading community. In the third phase the system is extended to other customs offices, in ports, border stations and free zones. The use of the system, developed in the second phase, at the remaining sites ensures that data flowing from operational sites to headquarters, and from headquarters to end users, such as the statistical office and other Government departments, is functioning correctly.

288. The first two phases take approximately 18 months and the final phase between 6 and 12 months, depending on resources and the number of sites to be installed.

289. ***Impact/output/results:*** The impact of ASYCUDA projects can be assessed by various institutional and trade facilitation benchmarks including increased revenue, improved trade facilitation and clearance times and the availability of reliable trade data. Some projects are more successful than others; an important factor is the commitment to change and to obtain the full support of the Government. Certain projects do not realize the full benefits of automation mainly because of resistance to the institutional and procedural reforms that the programme requires.

290. In 2000 there were 49 operational ASYCUDA projects with expenditures totalling $6,737,000. The ASYCUDA programme remains the largest technical cooperation programme within UNCTAD, encompassing over 80 countries and 4 regional projects. Also in 2000, 5 new projects were signed and commenced in Bangladesh, Bolivia, Bosnia Herzegovina, Cape Verde and Venezuela.

ASYCUDA++ migration studies

291. As part of the programme initiative to ensure existing ASYCUDA users upgrade to ASYCUDA++, which offers enhanced functionality and modern architecture, a number of short-term ad hoc studies were undertaken by programme staff. These studies are in accordance with the *Manila Declaration*, para 18 concerning the requirements for an in-depth review of the entire

customs business process and the subsequent introduction of appropriate reform activities is a prerequisite for the implementation of ASYCUDA. It is expected that as a result of these studies a number of ASYCUDA++ migration projects will commence in 2001.

292. In Bangladesh the technical study was undertaken in May 2000 and a project document was signed to migrate to ASYCUDA++. The system will be installed initially at five sites and the project will also provide for training and technical support. It is expected that the implementation will be concluded within 15 months.

Project evaluation

293. As part of normal on-going project activities an ASYCUDA project was independently evaluated during 2000 in Romania. The report indicated that the customs automation project, with ASYCUDA++ as its core, had been very successful with the objectives of the project being fully met. The system has been introduced in over 100 locations as part of a structured wide area network. The evaluation team found there had been a significant improvement in the quality and timeliness of statistical data and an appreciable reduction in the clearance times for goods.

294. The evaluation team considered the project suitable as a model for replication elsewhere assuming the necessary dedication of senior customs officials and Government. Based on the findings and recommendations of the report, the donor is prepared to support the project for a second phase to build upon and maximize the potential benefits of the system.

Programme information

295. In order to provide information relating to e-commerce and customs, a series of high level regional meetings were held last year. The first meeting held in Abuja, Nigeria, for sub-Saharan African countries, was attended by over 25 countries and a second meeting was held in Kuala Lumpur for countries from the Middle East and Asia and the Pacific. The meetings were well received and provided an excellent opportunity to meet with participants and exchange ideas and views regarding the impact of e-commerce on customs and the trading community. UNCTAD was also invited to attend the 23rd Caribbean Customs Law Enforcement Council meeting held in Trinidad. Representatives from over 30 regional countries attended the meeting during which matters relating to e-commerce and ASYCUDA were discussed.

296. During 2000 discussions also took place to ascertain the need and determine the requirements to enhance and strengthen the presence of the UNCTAD technical support staff in the various regions. With the increasing number of countries migrating to ASYCUDA++ and the demand for technical support and training on a regional basis, consideration is being given to provide support in the regions in a faster and more cost-effective way. It is expected that new ASYCUDA centres will be created in 2001 in Latin America, for the Caribbean as well as the Middle

East. Existing regional centres in Africa are planned to be strengthened in order to transfer the know-how and skills for ASYCUDA++ to local staff.

ASYCUDA Home Page

297. ASYCUDA's electronic homepage — www.asycuda.org — provides a comprehensive overview of ASYCUDA++, the functionalities and benefits to be achieved by the Governments concerned. The web site offers the latest news in terms of customs computerization and status, editorial and pictorial, of the ASYCUDA projects world wide. It also has links to all related organizations such as the WCO and WTO and provides security measures for user countries to access the *technical zone* which contains information relating to technical aspects of the system.

3. Information and training

(a) Human resources development

298. ***Development context:*** The terms of foreign trade and its potential to grow depend on well run trade-supporting services, depending in turn on competent staff and officials to run them and coordinate performance at the community level. Human resources development (HRD) is essential for improving these services and to enable the opportunities provided by globalization to be seized. HRD in trade-supporting services is a key to growth.

299. ***Objectives/features:*** UNCTAD seeks the application of HRD policies for trade-supporting services and the establishment of local training capacity to provide the training and organizational change that such policies require. This is achieved through programmes for the creation or strengthening of local training institutions that will conduct their own capacity building to rigorous standards using modern technology and South-South cooperation for most effective development of training capacity and programmes. Assistance to local training institutions to become more professional and to collaborate through networks is cultivated by two programmes: TRAINMAR concerned specifically with maritime trade; and TrainForTrade concerned more widely with foreign trade issues. Capacity-building through these programmes is extended and supported by initiatives of the secretariat, described elsewhere, to provide communities with training of general interest through one-off training events or the distribution of model training materials.

300. ***Output:*** An expert meeting, on Human Resources Development and Training in Trade-Supporting Services: Key to Growth with Special Potential for Developing Countries, was held in Geneva from 13 to 15 December 2000. Participants prepared recommendations that would enable individual countries to make rapid progress, and took away with them many useful ideas on policy issues and practical solutions including new information on technology in training.

(i) TRAINMAR

301. TRAINMAR outputs can be considered at two levels: those of the local institutes that form the global TRAINMAR network, and those that are produced specifically by the UNCTAD secretariat dedicated to supporting the network. The network members are responsible for the provision of training services responding to local requirements and in particular the development and delivery of training courses. Some 50 individual training institutes have benefited from association with the TRAINMAR programme and reports show that individual centres trained as many as 1,000 persons across the full range of training that they offer. The broad result is provision of some 10,000 training places per year on courses made available and exchanged through the network.

302. Specific outputs that have been provided by the secretariat programme include:

- Technical and pedagogic courses delivered by the secretariat within local institutes of the Caribbean, Latin America and Eastern Europe;
- Briefing sessions for country representatives concerning the role of HRD and training with respect to maritime trade and opportunities for growth;
- A new training course on flexible methods in training, aimed to ensure that local institutions can respond effectively to modern business needs for up-to-date training available on demand and in the workplace, especially using modern technology. The training course consists of learning materials on the Internet, on CD-ROM and on paper, and has been run for a first set of trainers from TRAINMAR member centres;
- Initial steps have been taken for the preparation of a new CD-ROM-based course on Environmental Management in Ports;
- Various project proposals have been prepared on behalf of countries and presentations made to potential donors, for the improvement of training capacity in different regions;
- In addition to the support provided to numerous member institutes, new members in Georgia and in Nepal have been helped to join the network and initiate activities;
- A strategic planning workshop has been conducted to enable participants in all regions to contribute to continued growth of TRAINMAR in the directions of most concern to them.

303. ***Results:*** The Expert Meeting produced a report that has been considered and endorsed by the Commission on Enterprise, Business Facilitation and Development. The Commission has recommended conduct of a pilot exercise to implement key findings, host countries have been approached and a potential donor for necessary external support has been identified. Results in individual countries will emerge gradually but, for instance, the Federation of Nepalese Chambers of Commerce and Industry, which was represented at the Expert Meeting, has informed the secretariat of its decision to set up a new HRD institute.

304. Specific results that can be identified include:

- A range of training materials produced in Latin America by the TRAINMAR Association of South America is in regular use in the region, being delivered through national universities. These materials are being translated from Spanish into English and some have already been delivered in countries of Eastern Europe and are being considered for use by members in the Asia and Pacific network;
- Evaluation of the support project for TRAINMAR Romania has shown steady transfer of course deliveries from outside consultants to local instructors giving their courses in the national language;
- The set of training materials on flexible learning methods has been used and led to plans by individual members to produce new flexible courses; the materials have also been shown to other network training programmes of the United Nations which have requested authority to use them in other sectors;
- Work on the new CD-ROM based course for ports, while not completed, has led to a demonstration version shown at the Geneva Expert Meeting on HRD, mentioned above.

(ii) UNCTAD Port Management Certificate

305. ***Development context***: Ports need to deal with a number of disparate activities ranging from movement of ships, loading and unloading of cargo to allocation of warehouse space. The efficient management of a port involves mastery of these various activities and training is essential to develop the human resources required for these tasks.

306. ***Objectives:*** Training of middle managers allows them to gain a global understanding of port management in each sector of the port's activities and to acquire skills to perform different functions effectively.

307. ***Outputs/results:*** In June 2000 a tripartite review was undertaken in Libreville, Gabon of the pilot "Port Certificate" project launched by UNCTAD in the three port communities of Benin, Gabon and Senegal. Results of the review revealed that the project was running well and that training activities were now being largely conducted by local trainers.

308. During 2000, the ports of Cotonou, Dakar and Libreville completed training for the second promotion of the Port Certificate Programme. Trainees came from the private and public sectors of the port community and presented individual research papers, as the final step in training, before juries composed of members of senior managers from the above ports and of representatives from the TrainForTrade Programme. There were fourteen participants from Cotonou, eleven from Dakar, and thirteen from Libreville who received the "Port Certificate". Training was provided by instructors coming from the above three ports who had attended a specific "Training of trainers" seminar in 1997 organized by the TrainForTrade Programme.

309. TrainForTrade held a 3-week "Training of Trainers " seminar from 11 to 29 September 2000 in Las Palmas, Canary Islands (Spain) for French-speaking African countries. Participants, who

were managers of port enterprises, came from Benin, Cameroon, Comores, Guinea, Morocco, Togo and Tunisia. This seminar was the first part of the "Port Certificate" course, which consists of six weeks over a period of two years.

310. As part of training materials, two new videos, "Protection of the environment in ports", and "Management of container terminals", were produced. These will form part of the distance learning material to be supplemented by modern technological tools to facilitate dialogue between instructors, trainers and trainees.

iii) TRAINFORTRADE

311. ***Development*** context: The capacity-building training programme of TrainForTrade seeks to strengthen and improve state-owned and private institutions in developing countries which are involved in international trade and trade-related services.

312. ***Outputs/results:*** A videocassette was produced to present the capacity-building programme of UNCTAD with particular emphasis on the aspect of training and human resource development.

313. The West African countries of Benin, Mali and Burkina Faso were the beneficiaries of a TrainForTrade project for strengthening training capacities in international trade. A programme concerning Training of Trainers, a plan of delivery of TrainForTrade courses and the use of distance learning in these countries was defined. In Ouagadougou, UEMOA would be involved in the exchange of views with UNCTAD and in the follow-up of different activities of this project, including delivery of TrainForTrade courses.

314. The first regional delivery from 30 October to 3 November 2000 of the course — "The Formulation of a Competition Law and Policy" in Bamako, Mali — was attended by 21 regional participants. Several participants were identified as having the potential to be instructors for parts of the course for future deliveries in the region.

315. The course in English "Trade, Environment and Development" was validated in Dar-Es-Salaam, United Republic of Tanzania in June 2000. Evaluation by the participants indicated relevance of the seminar to them, and on that basis, it was planned to translate the course into French.

TrainForTrade Analysis of Training Needs

316. A seminar was organized in March 2000 in Las Palmas, Canary Islands, Spain. Its objective was the preparation of a capacity-building plan of action for African countries in the field of training. Twenty-five officials from the port and trade sector from different countries in Africa participated in this seminar.

317. Preliminary study missions were undertaken to Cape Verde in February/March 2000 and to Angola and Mozambique in June 2000. The purpose of these missions was to analyze training needs in these countries. The possibility of a new TrainForTrade project was discussed with the national authorities of Angola, with a view to extending assistance to other Portuguese-speaking countries of Africa.

Networking

318. A protocol was signed with the Open University of Lisbon, Portugal. Through this cooperation, the "Port Certificate" has been translated into Portuguese.

Distance Learning

319. A website providing information on TrainForTrade and its activities was created in 2000. The website may be accessed at www.unctad.org/trainfortrade

320. An expert on distance learning attended a meeting with representatives of the World Bank to discuss possibilities of cooperation in developing courses using distance learning methods through the capacities of the Global Development Learning Network (GDLN).

321. Since TrainForTrade has initiated a strategy in distance learning for UNCTAD, meetings were held with ILO's International Training Centre and the United Nations Staff College Project in Turin, Italy. The purpose of the meetings was to identify common approaches and to explore possibilities of cooperation in the field of distance learning.

322. A part of the "Port Certificate" course for the training of trainers seminar held in Las Palmas in October 2000 was delivered using distance learning technology. A specific training platform on the web was created for this purpose.

TrainForTrade in Romania

323. The TrainForTrade-Romania Network is the first structured national network created so far within UNCTAD TrainForTrade technical cooperation programme. Thus, it could be used as a model by UNCTAD for implementation in other countries providing a good example of constructing a sustained national capacity for human resource development in the area of international trade.

324. The salient features and major achievements of the TrainForTrade project in Romania are:

- Achievement of self-sustainability due to the demand-driven nature of the Programme;

- Setting up of a national network of TrainForTrade centres, encompassing a National Centre and four Regional Centres;
- Interaction with an international network (Francophonie), which allow the use of the Romanian TrainForTrade expertise beyond Romanian borders;
- Creation of a TrainForTrade post-graduate diploma to be delivered by the Academy of Economic Sciences – prestigious national academic institution;
- Maximum use of the resources of the project at national level and maximum use of the national expertise in its implementation;
- Significant impact of the Programme, as indicated by two assessments undertaken in the last two years.

325. The strategy embodied in the project, aiming at creating national capacities on international trade issues, was adapted to the specific needs and requirements of the Romanian economy. Emphasis was placed on a pragmatic and business-like approach, which was integrated in a systematic way in all courses developed at national level. The balance between courses providing answers to the to specific business concerns of the participants and the presentation of general issues (WTO agreements) was clearly in favour of the former.

326. The process of privatization in Romania determined a strong interest for the programme. Romanians are concerned that privatization of their enterprises could result and should they not have the necessary knowledge and required diplomas, then they may lose their job. It is in this respect, more and more participants from the State-owned companies are now attending TrainForTrade courses. All these elements explain to a great extent the demand-driven nature of the courses as they continue to assist the Romanian participants in their daily business activities and future careers. Acquisition or marketing plans, financial and accounting schemes were modified or completely redefined on the basis of the lessons learnt from the seminars.

(b) The Trade Point Programme

327. ***Development context:*** The Trade Point Programme is the operational component of UNCTAD's Trade Efficiency Initiative, which aims to increase the competitiveness of disadvantaged players in international trade by helping reduce their transaction costs. The initiative, in addition to the simplification and harmonization of trade procedures, puts special emphasis on the use of modern information technologies in international trade.

328. ***Objectives:*** The main objective of the Trade Point Programme is to facilitate the participation of small-and medium-sized enterprises (SMEs) in international trade, in particular those located in developing and Least Developed Countries, by applying the most advanced information technologies. Using the services of Trade Points, companies get access to trade-related information and global information networks, as well as advice on how to trade internationally, and hands-on experience with electronic commerce. The Global Trade Point Network (GTPNet), a worldwide Internet-based network interconnecting all Trade Points, provides companies with

enhanced international visibility on the web, as well as access to the global system of trade leads operated by the Trade Point Programme, the Electronic Trading Opportunities (ETO) system.

329. ***Outputs/results:*** Following the adoption of the new Trade Point Programme strategy by UNCTAD member States in September-October 1999 (TD/B/WP/120; TD/B/WP/120/Add.1) and UNCTAD X Plan of Action (TD/386, §158), the activities of the Trade Point Programme in 2000 focused on the implementation of the strategy. In this regard, the main outputs/results during the year were as follows.

330. A new web site was developed for the GTPNet using the state-of-the art technology and allowing for the provision of high quality services for Trade Points and their clients – SMEs. As specifically mandated by UNCTAD member States (TD/B/47/L.4, §12), the process was started of externalization of the ETO system. User-friendly guidelines and model legal documents were developed and personalized assistance provided to Trade Points in order help them become fully operational.

331. In November 2001, the Sixth World Trade Point Meeting was organized where Trade Points, among others, decided to create the World Trade Point Federation (in line with member States decision in §10 of TD/B/47/L.4). The Federation, according to the strategy approved by member States, is expected to gradually take over the management of the Trade Point Programme from UNCTAD. All Trade Points are automatically members of the Federation and all regions are represented on its 14-member Steering Committee, including the 5-member Bureau. The Presidency of the Federation is with the Americas (Argentina), Vice-Presidency with Africa (Senegal), the Treasurer is the representative of Europe (Switzerland), the Technical Director comes from the Arab Middle East region (Egypt) and the Marketing Director from Asia Pacific (India).

332. Due to the lack of extra budgetary funding, it was not possible to develop and deliver the courses envisaged in the strategy.

333. With regard to the development of Trade Points during the year 2000, two tendencies can be noted, namely: (a) consolidation of the core of fully operational Trade Points (their number increased from 51 to 65 over the period under review), and (b) continuing interest from member States in the establishment of Trade Points (14 new requests received in 2000). At the end of 2000, there were 156 Trade Points at various stages of development in 92 countries of the world. The Americas had the highest number of Trade Points (50, including 30 in the operational stage, followed by Europe (46 and 15, respectively), Africa (23 and 4), Asia Pacific (20 and 5) and the Arab Middle East region (17 Trade Points, out of which 11 operational). In addition, a total of 58 requests from Governments for the establishment of Trade Points had been received by UNCTAD.

Africa

334. The establishment of Trade Points in sub-Saharan Africa was facilitated by regional and national technical assistance projects funded by international donors. The main ones included: "Mediterranean 2000" (MED 2000) funded by the Government of Italy, an ITC/UNCTAD/WTO Joint Integrated Technical Assistance Programme for Selected Least Developed and Other African Countries (JITAP), and the World Bank project to set up a Trade Point in Maputo, Mozambique. Contributions from MED 2000 and JITAP played an instrumental role in the Sixth World Trade Point Meeting by funding the participation of the majority of the African Trade Point directors.

335. A number of African Trade Points made considerable progress in developing their services and reaching a fully operational status. For example, Trade Point Ouagadougou, Burkina Faso (the first operational Trade Point in a least developed country), and Trade Point Abidjan, Côte d'Ivoire, became operational, and some others like Trade Point Addis Ababa, Ethiopia, were very close to attaining this objective.

336. In addition, a revival of interest in the Trade Point Programme took place in a number of African countries since it was often perceived as a contribution to the narrowing of the digital divide. In particular, South Africa decided to adopt the Trade Point model as the backbone of its trade and investment development programme for SMEs, and also offered to host a Regional African Trade Point meeting in August 2001.

337. Among the Trade Points that were traditionally performing very well was Trade Point Dakar, Senegal. Unlike most others, Trade Point Dakar was able not only to develop trade information services, but also to embark on an important trade facilitation programme, unique in its kind, and, moreover, relying mostly on local resources. Their product called ORBUS 2000 aims at enabling the business community to carry out traditional trade-related procedures electronically.

338. However, many Trade Points in Africa, in particular those of the LDCs, were facing financial constraints, preventing them from fully developing the services they could offer to the growing number of small companies in their countries. Despite their best efforts and investment, they are therefore still in the initial phases of development.

The Americas

339. Americas was traditionally the most advanced in terms of the number of Trade Points and also the level of their mutual cooperation. Currently the region hosts the only two regional associations of Trade Points, namely the Inter-American Trade Point Forum (IATPF) and the NAFTA Trade Point Network. The ways to enhance cooperation among Trade Points in the region and to conceive joint projects were discussed, among others, at four Trade Point meetings that took place during 2000. Among them were: (i) the NAFTA Trade Point Network meeting with guest Trade Points from the Caribbean (Tampa Bay, USA, March 2000); (ii) the yearly IATPF meeting

(Curaçao, Netherlands Antilles, April 2000); (iii) a meeting of the Argentinean Trade Points which decided to set up a national Trade Point Forum (May 2000); and (iv) a regional meeting of the Americas at the Sixth World Trade Point Meeting (Geneva, Switzerland, 8 November 2000).

Arab countries and the Middle East

340. The Trade Point Programme could rely on a strong core of operational Trade Points in the region. In particular, the Egyptian International Trade Point created a national network of eight fully operational Trade Points covering the areas with the highest concentration of enterprises in need of Trade Point services. Three additional Trade Points in Egypt are under development. Other operational Trade Points in the region enjoyed the support of strong hosting institutions, in particular in Morocco, Saudi Arabia and the Palestinian Territory. The latter two reached operational status in 2000. Initial funding for the establishment of Trade Point Palestine Ramallah (TPPR) was provided by UNDP and additional resources came from the MED 2000 project financed by the Government of Italy. A number of other countries were in the process of setting up Trade Points, such as Algeria, Jordan, Lebanon and Tunisia. Regional cooperation among Trade Points was particularly intense between Egypt, Jordan and the Palestinian Territory, with special focus on exchange of experiences.

Asia

341. In the course of 2000 and particularly the last quarter, Trade Point activities intensified in the Asia/Pacific region. Trade Points had been or were being established by a number of reputable institutions in the region providing thereby a solid basis for future developments. In addition to the already operational Trade Points in China (Beijing and Shanghai), the Trade Point in New Delhi, India, became fully operational and Trade Points in Thailand (Chiangmai); Republic of Korea and the Islamic Republic of Iran were close to this stage. The regional meeting of Trade Point directors organized in conjunction with the Sixth World Trade Point Meeting (Geneva, 8 November 2000) helped reinforce the cooperation in the region and provided a platform to discuss potential ways and areas for joint action.

Europe

342. In 2000, the development of the Trade Point Programme in the region was marked by enhanced cooperation among Trade Points in the region and continuing interest by member States in the Programme.

4. E-commerce

343. Pursuant to resolution 53/220 of the United Nations General Assembly, UNCTAD's activities on electronic commerce are financed from the Development Account. I 2000, the following activities have been delivered:

(a) ***Development and maintenance of information exchange and policy analysis frameworks:*** A major publication, "Building Confidence: Electronic Commerce and Development" was produced in February 2000 and launched at UNCTAD X in Bangkok. The document presents an overview of the state of electronic commerce in the world and identifies the challenges and opportunities facing developing countries in participating in global e-commerce. It examines sectoral and cross-sectoral issues, including fiscal and legal aspects of e-commerce and e-commerce in transport and financial services. It proposes an agenda for action to promote electronic commerce in development.

- A round table on e-commerce for LDCs was held in Kathmandu, Nepal (29-31 May 2000). It allowed for a wide-ranging discussion among expert and participants and served as a basis for practical recommendations on policies and strategies to be adopted by LDCs to promote e-commerce in their countries. These recommendations were discussed at the Third United Nations Conference on Least Developed Countries;
- A study has been undertaken on the status of e-commerce in China. A report will provide information on Internet access, infrastructure, human resources policy and confidence issues. This case study is to provide useful lessons to developing countries;
- A study has been carried out on the current state of online payments in electronic commerce covering both payments mechanisms presently in use and those under development. A report shall provide inputs into the formulation of policies and strategies by Government officials and enterprises, in developing countries, as regards to online payments in electronic commerce;
- A report has been prepared to provide information on the status of the development of e-commerce in the Andean Community, as well as a set of policy recommendations to be adopted by the member States of the Community in their efforts to develop electronic commerce in different sectors of their economies.

(b) ***Analyses of the effects of internationally adopted documentary standards and business practices for electronic commerce.*** Resource persons participated as lead speakers at the UNCTAD Expert Meeting on electronic commerce and tourism (18–20 September 2000). The meeting provided an opportunity for an exchange of experiences and views on a wide range of issues on e-commerce and tourism. The outcome of the Expert Meeting comprises recommendations dealing with the design of national vision and policies on e-commerce and the establishment of a legal and regulatory framework to ensure security and to protect consumers and intellectual property rights.

(c) ***Expert assistance and advice provided to Governments on policy issues relating to trade facilitation and e-commerce.*** In the context of a High-Level Ministerial Meeting on Electronic Commerce and Fiscal Revenue held in Abuja, Nigeria, 25-27 October 2000, African ministers of finance were provided with advice on fiscal revenues with particular reference to e-commerce.

(d) ***Development of specialized software.*** In order to develop in-house expertise in the development and usage of software, a staff member participated at the Eighth Annual Short Course in Global Trade Analysis, delivered by the Centre for Global Trade Analysis of the Purdue University (USA), 5–11 August 2000. The objective of the course was to provide participants with hands-on training with software designed for global trade analysis.

(e) ***Preparation of computer-assisted training courses.*** In order to prepare materials suitable for the development of training courses, the following activities have been undertaken:

- The CD-ROM version of "Building Confidence" and the contents of the UNCTAD e-commerce website have been translated into Spanish. The CD-ROM version is an updated version of the original English version of the "Building Confidence" CD-ROM. It containsall the documents published by UNCTAD in the area of e-commerce, power point presentations and documents presented at UNCTAD Regional Seminars on e-commerce as of August 2000;
- The Book "Building Confidence: Electronic Commerce and Development" has been translated into Spanish in order to adapt existing information and make it useable to Spanish-speaking countries. This has involved the extraction and expansion of information existing in publication;
- The UNCTAD website on electronic commerce has been translated into French. However, this has involved only half of the contents of the website.

344. ***Results/Impacts:*** It was evident from the activities undertaken, for example the Expert Meeting on e-commerce and tourism, that there were high economic costs to developing countries if they continued to remain marginal participants in electronic commerce. It has thus been demonstrated to Governments that e-commerce is a fundamental development issue that should be high on the agenda of policy discussions in UNCTAD and elsewhere.

345. The studies carried out, and the meetings held, show that e-commerce is making a considerable positive impact on world trade and business activities, but for the most part developing countries play a negligible role, resulting in a widening international digital divide. They also emphasise that Governments should become aware of and support existing regional and international initiatives aimed at narrowing the international digital divide.

346. The activities carried out have also helped identify the major policy strategies that need to be established in order to promote e-commerce in developing countries. They clearly emphasise that Government, with the involvement of industry players, producers and local communities, sh. uld develop national strategies and guidelines on e-commerce. Particular attention should be given to the improvement and liberalization of Internet services and telecommunications, investments in information infrastructure and the encouragement of the private sector in developing e-business. Governments should also play a leadership role in promoting e-commerce by participating in e-commerce activities, for example in administration, procurement and in passing/establishing laws and regulations, in order to build trust, consumer confidence, privacy and intellectual property rights.

347. At the meetings on e-commerce, information was provided on a number of success stories in e-commerce in developing countries, including LDCs. This has provided an encouragement to developing countries by demonstrating that enterprises can succeed in launching e-commerce ventures even under conditions constrained by limited communications and Internet infrastructure.

348. Quite a number of experts and consultants involved in carrying out the activities were from developing countries, and thus the exercise helped the process of capacity-building in this area in developing countries.

349. The Development Account has played a pivotal role in enabling UNCTAD to fulfil its mandate in promoting the development aspects of electronic commerce. Reliance on the regular budget, other than resources from Development Account, would diminish considerably the ability of the organization to carry out activities in this area. It is evident therefore that the success of the e-commerce programme shall continue to depend heavily on availability of resources of the Development Account or extra-budgetary resources.

350. In a number of developing countries, the Government and private sector have recognized the importance of e-commerce and much progress has been made in developing e-commerce activities. However, the low level of awareness about the impact and potential benefits of e-commerce still remains a major problem in many developing countries. The raising of awareness is therefore still a top priority for the future, alongside the problems of infrastructure and technology.

D. DIVISION FOR SERVICES INFRASTRUCTURE AND TRADE EFFICIENCY

(in US Dollars)

Project number	Short title	Duration	Status in 2000	Source of funds	Total budget	Cumulative expenditure	Expenditure 2000
Trade logistics							
BGD/94/A57	Railway wagon information and control system (RAILWICS)	1995 2001	Ongoing	Germany	977,904	1,003,608	-2,968
BKF/92/A35	Installation de RailTracker BTI (SCFB - SICF)	1992 2001	Ongoing	Burkina Faso	143,741	146,377	1,411
BUL/99/A08	Design and implementation of an integrated management information system and upgrading of the data transmission network (SEMA)	1999 2001	Ongoing	Bulgaria	493,450	111,142	111,142
CMR/93/A24	Installation du systeme RailTracker à la REGIFERCAM	1993 2001	Ongoing	Cameroon	159,673	169,589	8,674
INS/98/011	Assisting private sector participation in maritime and related services	1998 2001	Ongoing	UNDP	164,000	150,453	32,133
IRA/99/008	ACIS in Iran (PortTracker)	1999 2002	Ongoing	UNDP	261,363	123,060	123,060
LEB010BZ	Preparatory Phase I for implementation of PortTracker	2000 2001	Ongoing	Lebanon	94,050	16,756	16,756
NEP/97/A53	Promotion of the trade and transport sectors of Nepal	1998 2001	Ongoing	Nepal	3,017,136	2,637,182	607,673
SOM/96/A08	Somali port management assistance	1996 1999	OPC	European Commission	550,714	544,802	4,201
SOM/98/001	Ports and trade efficiency for economic recovery of Somalia	1998 2000	Ongoing	UNDP	2,639,937	2,382,510	713,675
SOM/98/Z01	Ports and trade efficiency for economic recovery for Somalia	2000 2000	Ongoing	UNDP/Swedish Trust Fund	73,520	73,520	73,520
SOM/00/003	Support to cross-border initiatives - transport and trade	2000 2001	Ongoing	UNDP/SPPD	536,000	57,450	57,450
SUD/93/A10	Technical assistance to Sudan Railways Corporation (SRC)	1993 2000	Ongoing	Sudan/World Bank	141,433	132,684	9,479
URT/93/A43	TCR Restructuring Project Design and Implementation of RailTracker	1993 1998	Ongoing	European Commission	504,720	524,632	2,071
URT/97/004	Assistance for capacity building in economic management and private sector development	1999 2000	Ongoing	UNDP	20,500	4,152	4,152
INT/83/A04	Course on Improving Port Performance (IPP)	1983 1997	Ongoing	Multidonors	546,169	550,963	-1,624
INT/88/A01	STRATSHIP: Strategic planning course	1988 1999	Ongoing	Norway	211,229	220,242	-6,999
INT/93/A22	Introduction of multimodal transport and microcomputer software programmes	1993 2000	Ongoing	Multidonors	45,702	33,196	4,415

Project number	Short title	Duration	Status in 2000	Source of funds	Total budget ($)	Cumulative expenditure ($)	Expenditure 2000 ($)
INT/97/A47	Seminar on the new commercial role of ports and port marketing	1998 1999	Ongoing	Belgium	91,664	86,926	8,514
RAF/94/A70	Development and installation of ACIS in COMESA	1995 2001	Ongoing	European Commission	7,542,533	6,912,056	434,726
RAF/99/A07	ACIS RailTracker in Southern Africa (Rolling Stock Information System)	2000 2002	Ongoing	USAID	975,790	824,269	395,965
				Total: Trade logistics	**19,191,228**	**16,705,569**	**2,597,426**
ASYCUDA							
BGD/00/A03	Agreement between Clapp & Mayne Inc., Maryland, USA and UNCTAD implementation of ASYCUDA++	2000 2001	Ongoing	USA	50,850	42,659	42,659
BIH/01/BH	Computerisation of Customs procedures and data in the Federation of Bosnia and Herzegovina and Republika Srpska Customs	2000 2001	Ongoing	European Commission/ PHARE	628,227	165,288	165,288
BOL/00/002	Apoyo la implementacion del systema aduanero automatizado SIDUNEA	2000 2002	Ongoing	UNDP	689,500	120,735	120,735
BOL/99/006	Plan de contingencia, reformay modernizacion del Servicio Nacional de Aduanas	2000 2000	Ongoing	UNDP	18,150	15,758	15,758
CHD/99/003	SYDONIA ++	1999 2001	Ongoing	UNDP	508,055	451,817	244,641
COL/94/006	Modernizacion de la administracion financiera - SIDUNEA	1996 2001	Closed	UNDP	1,063,050	1,040,585	68,485
ELS/96/009	Modernizacion del sistema de aduanas	1996 2000	Ongoing	UNDP	285,446	282,000	13,794
ELS/99/002	Modernizacion del sistema de aduanas - migracion a SIDUNEA++	1999 2001	Ongoing	UNDP	444,000	359,879	170,122
ERI/00/013	Computerization of customs procedures and data	2000 2001	Ongoing	UNDP	39,940	15,632	15,632
EST/97/A45	ASYCUDA	1998 2000	Ongoing	European Commission	623,009	594,347	-10,703
ETH/97/013	Implementation of ASYCUDA (phase II)	1998 2001	Ongoing	UNDP	665,000	663,054	172,375
GAM/91/004	ASYCUDA	1992 2000	Ongoing	UNDP	611,917	593,020	6,477
GAM/98/002	Economic Mangement Capacity Building Programme II	1999 2000	Ongoing	UNDP	35,000	22,467	22,467
GEO/94/A52	Trade facilitation	1994 2000	Ongoing	Georgia	1,176,000	1,219,726	-3,000
HON/98/A31	SIDUNEA	1998 2000	ORC	Honduras	22,246	22,778	-202
HON/99/022	Modernizacion de administracion aduanera-migracion a SIDUNEA++	1999	Ongoing	UNDP	172,324	49,894	49,894

Project number	Short title	Duration	Status in 2000	Source of funds	Total budget ($)	Cumulative expenditure ($)	Expenditure 2000 ($)
BRA/96/003	Computerization of customs	1996 –	Ongoing	UNDP	594,787	577,641	-17,146
BRA/99/009	ASYCUDA (Phase II)	1999 2001	Ongoing	UNDP	263,182	86,681	32,165
BDR/96/004	Computerisation of Customs procedures and data for improved revenue collection - Phase I	1997 2001	Ongoing	UNDP	25,000	81,127	81,127
LAI/98/A13	ASYCUDA	1998 2000	Ongoing	European Commission	510,000	552,106	66,130
LAI/98/A44	Technical assistance to the customs administration for the implementation of ASYCUDA	1998 2000	Ongoing	European Commission	125,261	131,854	-29,722
LAI/00/A04	Continuing implementation of ASYCUDA	2000 2000	Ongoing	Latvia	54,641	40,549	40,549
LEB/92/017	Fiscal reform and administration	1993 2001	Ongoing	UNDP	776,855	765,875	931
LIT/98/A14	ASYCUDA	1998 2000	Ongoing	European Commission	607,894	609,089	-19,975
MAT/91/A10	ASYCUDA training course	1991 2000	Ops	Multidonors	142,080	148,421	19,507
MAT/91/A25	ASYCUDA	1992 2001	Ongoing	Malta	530,962	534,149	604
MAU/99/003	Appui à la modernisation des administrations financières (douanes)	1999 2001	Ongoing	UNDP	6,558	3,969	1,240
MCD/96/A03	ASYCUDA Support Activities	1996 2000	Ongoing	European Commission	897,822	923,030	11,946
MDV/97/002	Migration to ASYCUDA++	1998 2001	Ongoing	UNDP	111,245	54,787	33,966
MDV/98/007	ASYCUDA++ (migration project)	1999 2001	Ongoing	UNDP	45,000	39,016	28,104
MLW/98/A34	ASYCUDA	1999 2002	Ongoing	United Kingdom	1,171,000	320,182	234,902
NAM/94/A31	ASYCUDA	1993 2000	Ongoing	Denmark	1,801,000	1,791,483	26,202
NEP/96/A08	Efficiency enhancement of customs operations	1996 2000	Ongoing	Asian Development Bank	880,000	919,618	5,944
NIC/99/A52	Migracion a SIDUNEA++	1999 2000	Ongoing	Nicaragua	241,000	63,058	50,056
PHI/94/A36	ASYCUDA	1994 —	Ongoing	Philippines	2,565,000	2,646,672	84,490
ROM/95/A53	ASYCUDA	1995 –	Ongoing	United Kingdom	1,579,740	1,520,351	174,157
ROM/96/002	ASYCUDA	1996 2001	Ongoing	UNDP	273,000	258,125	5,029
SLO/98/A25	Computerization of customs procedures and data	1998 2000	Ongoing	European Commission	604,684	601,463	1,327

SOM/00/005	Capacity building for customs development	2000	2001	Ongoing	UNDP/SPPD	27,200	18,134	18,134
SRL/97/A51	Customs modernization programme - Migration to ASYCUDA++	1997	2000	Ongoing	Sri Lanka	345,748	239,253	19,604
UGA/96/A48	ASYCUDA	1996	2000	Ongoing	UGANDA/World bank/UNDP/OPS	553,000	496,732	57,670
URT/98/009	ASYCUDA	1999	2001	Ongoing	UNDP	298,960	263,486	116,526
VEN0T0BE	Piloto SIDUNEA++	2000	2001	Ongoing	Venezuela	790,000	70,155	70,155
YEM/97/002	Strengthening economic and financial management (Phase II) ASYCUDA ++ and DMFAS	1998	2001	Ongoing	UNDP	2,797,114	953,933	928,747
ZAM/97/A46	Computerization of Customs Procedures	1997	2000	Ongoing	United Kingdom	192,000	95,018	10,391
ZIM/99/A40	Institutional strengthening of Customs data processing system	1999	2001	Ongoing	World Bank	735,530	384,136	277,220
INT/94/A49	ASYCUDA marketing activities	1994	2000	Ongoing	Multidonors	150,000	114,089	29,327
INT/98/A17	LDC participation in World ASYCUDA Meeting (Manila, 9-10 March 1998)	1998	-	Completed	Switzerland	164,000	101,978	16,567
INT/98/A19	Support for ASYCUDA implementation activities	1998	-	Ongoing	Multidonors	78,857	39,955	32,972
INT/98/A26	Support to the enhancement of ASYCUDA - Development of a transit module	1998	2002	Ongoing	Switzerland	1,027,735	837,703	320,448
INT/98/A42	Support for ASYCUDA implementation activities	1998	-	Ongoing	Multidonors	500,172	381,964	160,816
INT/99/A57	ASYCUDA: passage à l'an 2000	2000	2000	Ongoing	France	119,807	50,725	50,725
INT/99/A65	Soutien aux administrations des douanes des pays utilisateurs du systeme SYDONIA - Bogue de l'an 2000	1999	2000	Ongoing	France	459,621	165,142	165,142
RAF/92/A57	Computerization of customs and foreign trade statistics for the Eastern and Southern Africa COMESA (EUROTRACE regional project)	1992	-	Ongoing	European Commission	3,964,041	4,111,728	-22,015
RAF/99/A14	SYDONIA v 2.7 (pays de la CEDEAO, et Centre Informatique Communautaire de la CEDEAO (CIC))	1999	2000	Ongoing	ECOWAS Secretariat	219,180	199,273	100,204
RAS/98/A07	Computerisation of Customs Data and External Trade Statistics	1998	2000	Ongoing	Australia	4,100,770	2,926,641	1,204,043
RAS/98/A21	Customs human resource development program in Asia and the Pacific	1998	2000	Ongoing	Japan	317,420	260,131	187,413
RAS/00/A05	ASYCUDA implementation and support in the Asia/Pacific region	2000	2003	Ongoing	Multidonor	373,500	23,402	23,402
					Total: ASYCUDA	**38,254,080**	**30,062,463**	**5,693,446**

Project number	Short title	Duration	Status in 2000	Source of funds	Total budget ($)	Cumulative expenditure ($)	Expenditure 2000 ($)
Information and Training (HRD)							
BRA/98/A29	Preparation d.un plan de developpement de ressources humaines et de formation dans le domaine portuaire et para-portuaire, et du commerce international	1998 2001	Ongoing	Belgium	59,934	39,783	2,565
BUL/98/A02	Increasing the participation of Bulgarian SMEs in international trade through the establishment of a Trade Point in Sofia	1998 2000	Ongoing	Switzerland	164,000	41,550	5,242
CVI/99/A20	Préparation d.un plan de developpement des ressources humaines et de formation portuaire, para-portuaire et du commerce international	1999 2001	Ongoing	Cape Verde, Belgium	56,000	45,013	45,013
GAB/95/A61	TRAINMAR	1996 1998	Ongoing	Gabon	64,663	70,274	3,600
HUN/94/003	Preparing participation of Hungary in the UNCTAD Trade Point Programme	1995 -	Ongoing	UNDP	51,975	38,608	9,556
MOZ/99/A45	Launching an operational trade point in Mozambique	1999 2000	Ongoing	World Bank	40,680	22,740	22,740
MOZ/99/A47	Training activities at the Maputo trade point	1999 2000	Ongoing	World Bank	33,900	11,884	11,884
ROM/94/A25	TRAINMAR: Maritime School of Costanza	1994 -	Ongoing	European Commission	82,680	83,952	3,674
ROM/95/A06	Plan of action for TRAINMAR	1995 2000	Ongoing	European Commission	140,960	143,691	18,021
ROM/97/A02	Increasing the participation of Romanian SMEs in international trade through the establishment of a Trade Point in Bucharest	1997 2000	Ongoing	Switzerland	160,600	137,021	1,543
ROM/97/A15	TRAINFORTRADE	1997 2001	Ongoing	Switzerland	400,000	369,328	83,355
CAR/95/A65	TRAINMAR - Caraibes	1995 2000	Ongoing	France	257,072	189,725	15,729
INT/90/A18	Training in the field of foreign trade	1990 1997	Ongoing	France	1,148,326	1,018,804	151,103
INT/91/A15	TRAINMAR	1991 -	Ongoing	Multidonors	608,683	565,332	23,012
INT/94/A54	Centre TRAINMAR Belgique	1994 2000	Ongoing	Belgium	560,847	446,038	91,525
INT/95/A67	Setting up the Global Trade Point Network	1995 -	Ongoing	Switzerland	1,600,208	1,557,285	16,520
INT/96/A29	1) Organizing the South African National Event - The Executive Symposium on Trade Efficiency; 2) participation of African Experts in the Lyon Summit (9-12 Nov 1998)	1996 1998	Ongoing	Switzerland	277,262	274,904	1,702
INT/96/A55	TRAINMAR	1996 2000	Ongoing	Multidonors	120,297	90,960	20,576

Project number	Short title	Duration	Status in 2000	Source of funds	Total budget ($)	Cumulative expenditure ($)	Expenditure 2000 ($)
INT/97/A40	Legal aspects related to Trade Points	1997 2000	Ongoing	Netherlands	256,340	155,897	-20,060
INT/99/A51	TRAINMAR	1999 2000	Ongoing	Netherlands	116,279	52,221	52,221
INT/99/A54	CD-ROM training on management	1999 2001	Ongoing	Netherlands	86,000	5,303	5,303
INT/99/A61	Promotion of the international TRAINMAR Programme	1999 2000	Ongoing	Germany	34,000	23,106	23,106
INT/99/A68	Appui au programme TRAINFORTRADE	2000 2001	Ongoing	Canary Islands	21,650	17,819	17,819
RAF/94/A33	Support to the establishment of a Trade Efficiency Network in Africa	1994 -	Ongoing	Netherlands	125,000	123,359	-5,281
RAF/96/A49	TRAINMAR in Western/Central Africa (Certificat portuaire	1997 2000	Ongoing	Multidonors	399,935	330,167	69,160
RAF/98/A04	Portugaise (PALOP)	1998 2002	Ongoing	Portugal	180,200	26,793	5,730
RAF/99/A09	Mise en place de capacites de formation du commerce international (TRAINFORTRADE)	2000 2002	Ongoing	France	400,198	31,577	31,577
RER/94/A08	TRAINMAR - EUROPE: Conception du seminaire strategique sur le short sea en Europe	1994 -	Ongoing	European commission, Multidonors	162,830	152,798	4,401
				Total: Information and training (HRD)	**7,616,179**	**6,075,933**	**711,336**
	Total Division: DIVISION FOR SERVICES INFRASTRUCTURE AND TRADE EFFICIENCY				**65,061,487**	**52,843,965**	**9,002,208**

E. Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries

351. ***Features:*** Activities undertaken during 2000 by the Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries concentrated mostly on the preparations for the Third United Nations Conference on LDCs (LDC-III). The preparations were carried out at country, regional and global levels, involving country missions, support to national preparatory committees (NPCs), inter-agency coordination, consultative forum meetings, nomination of agency focal points, development of strategy for the Conference, involvement of civil society and private sector in the preparatory process, and mobilization of resources for the conference and logistical arrangements. Other activities undertaken in 2000 were in the context of the Integrated Framework for Trade-related Technical Assistance to LDCs (IF), support to the landlocked developing countries (LLDCs) to improve their transit transport system efficiency, and support to the small island developing states (SIDS) for sustainable development in goods and services.

352. ***Out puts/Results/Impact:*** *Preparations for the LDC-III*

- At *country level*, the comprehensive preparatory process initiated in 46 LDCs, involving all relevant actors and diverse activities to formulate action-oriented national policies and strategies, resulted the National Programme of Actions (NPAs) as inputs toward the preparation of the Global Programme of Action discussed and adopted at the Conference.
- At the *regional level*, three expert-level preparatory meetings were organized and convened. One for English-speaking African LDCs (Addis Ababa, Ethiopia, 27–29 March 2000); One for Asian and Pacific LDCs (Kathmandu, Nepal, 3–5 April 2000) and one for French-speaking African LDCs and Haiti (Niamey, Niger 18–20 April 2000). In parallel, a special event on the substantive issues for the Conference was organized at the Meeting of Ministers of Finance and Planning (Addis Ababa, Ethiopia in November 2000). The purpose of these meetings was to provide inputs to the country-level preparatory process, the preparatory process for the Conference and the Conference itself.
- At the *global level*, in partnership with a global array of collaborating organizations the office achieved advances in publicity and advocacy for the Conference. It organized inter-agency consultative forums to mobilize and coordinate all relevant organizations and bodies of United Nations system. The office also helped organize the first meeting of the Intergovernmental Preparatory Committee (IPC) (New York, 24–28 July 2000), which had the task of giving substance to the draft Global Programme of Action. A high level panel for the review of the implementation of the Programme of Action for the 1990s was established in June 2000. It presented a comprehensive report that was presented to different meetings of the preparatory process of the Conference.

Activities related to Integrated Framework for Trade-related Technical Assistance (IF)

353. IF has been operational since October 1997 with the major objective of assisting LDCs to enhance their capacity to further integrate in the global economy. A review of IF in November 1999 revealed slow progress in its implementation. Efforts during 2000 were devoted to enhance functioning of the Integrated Framework. Six core Agencies (IMF, ITC, UNCTAD, UNDP, World Bank and WTO) met in New York on 6 July 2000 and agreed to a joint statement which provided for new arrangements to give additional impetus to IF. The recommendations were presented to LDC Governments and their development partners for consideration, which were endorsed. Other activities carried out in 2000 in the context of IF included, the UNCTAD response matrix under the integrated framework activities, substantive support provided during the round tables and consultative group meetings organized in LDCs by UNDP and World Bank in the context of the IF, and participation and contribution to the meeting of the inter-agency working group (IAWG) (World Bank, Washington DC, 14–15 September 2000)

Activities to LDCs

354. Assistance and support was given to North East Asia to improve the efficiency of their transit transport systems. In particular UNCTAD secretariat provided substantive assistance to negotiations which lead to adoption of a Transit Traffic Framework Agreement (TTFA) in North East Asia. The first negotiating meeting was organized in Ulaanbaatar, Mongolia, May 2000. Also, in December 2000, UNCTAD secretariat assisted in organizing a consultative meeting on transit transport systems of the Lao PDR. The outcome of the meeting was the adoption of the Vientiane Plan of Action aimed at improving transit transport systems in the sub-region.

Activities to SIDS

355. Activities to SIDS that took place in 2000 included: Human development activities (Madagascar) and Support to sustainable development (Vanuatu) consisting of training activities to assist those involved in trade development and investment in their tasks of strengthening institutional capacity.

Other activities

356. In 2000 the OSC-LDCs also finalized the establishment of a Data Bank on LDCs related activities within UNCTAD and formulation of proposals for action. The data bank was designed to serve the purposes of effective co-ordination and strategic planning in the favour of the LDCs.

E. OFFICE OF THE SPECIAL COORDINATOR FOR LEAST DEVELOPED, LANDLOCKED AND ISLAND DEVELOPING COUNTRIES

(in US Dollars)

Project number	Short title	Duration	Status in 2000	Source of funds	Total budget	Cumulative expenditure	Expenditure 2000
BGD/00/002	Country level preparations for the Third UN Conference on LDCs	2000 2001	Ongoing	UNDP	57,855	30,900	30,900
BHU/00/007	Support to Bhutan's participation to the UNLDC III	2000 2001	Ongoing	UNDP	55,000	9,000	9,000
HAI/99/A22	Appui au Gouvernement Haitien dans le contexte de l'entree d'Haiti dans le CARICOM	1999 2000	Ongoing	France	30,000	6,448	257
LAO/00/004	General transit transport system in the Lao PDR	2000 2001	Ongoing	UNDP	71,500	32,316	32,316
NEP/00/004	Assessment/preparation of National Programme of Action for LDC III	2000 2001	Ongoing	UNDP/SPPD	21,000	13,500	13,500
STL/99/A56	Support to the sustainable developmentof St. Lucia's trade in goods and services	1999 2000	Ongoing	Ireland	68,400	57,710	57,710
SUD/00/004	Country Level Preparations for LDC III	2000 2001	Ongoing	UNDP/SPPD	62,000	43,000	43,000
VAN/99/A26	Amelioration de l'efficacite commerciale, encouragement de l'investissement etranger, et réduction de la vulnerabilite economique au Vanuatu	1999 2000	Ongoing	France	68,495	38,392	8,165
YEM/00/002	Country Level Preparations for the UNLDC III	2000 2001	Ongoing	UNDP	46,000	14,221	14,221
INT/00/A24	LDC's participation in UNCTAD X	2000 2000	Ongoing	United Kingdom, Norway	53,100	27,993	27,993
INT/96/A14	Follow-up and implementation of measures in favour of LDC's adopted by major global conferences	1996 -	Ongoing	Netherlands	956,410	906,480	231,887
INT/97/902	TCDC - Operational support to sustainable human development (SHD) (Phase I)	1998 2001	Ongoing	UNDP	80,000	37,317	32,221
INT/97/A09	Trust Fund for Least Developed Countries - core project	1997 -	Ongoing	Multidonors	3,437,189	2,330,787	1,455,186
INT/99/A38	Seminar for experts from LDC's on vegetable science and technology	1999 2000	Ongoing	China	100,000	40,692	-7,774
INT0T0CO	Support for the Preparatory Process for the Third United Nations Conference on LDC's	2000 2001	Ongoing	Netherlands	670,823	371,868	371,868
RAS/00/A02	Support to the Forum Secretariat	2000 2001	Ongoing	Ireland	80,000	19,319	19,319
Total: OFFICE OF THE SPECIAL COORDINATOR FOR LEAST DEVELOPED, LANDLOCKED AND ISLAND DEVELOPING COUNTRIES					**5,857,772**	**3,979,943**	**2,339,769**

F. Executive Direction and Management and Support Services

357. Certain technical cooperation activities are undertaken centrally in view of their interdivisional nature.

1. UNCTAD/UNDP Global Programme on Globalization: Liberalization and Sustainable Human Development

358. The UNCTAD/UNDP Global Programme carried out its activities in 2000 at the global and country level. More specifically:

359. *At the global* level, activities have been aimed at:

- Promoting a better understanding of the linkages between globalization and the dimensions of sustainable human development;
- Enhancing the ability of developing countries to participate effectively in regional, bilateral and multilateral negotiations.

360. At the *country level*, in-depth assessment studies on the impact of globalization on economic, social and human development, and on the policy implications for meeting the future challenges of managing integration into the global economy, have been carried out in Botswana, Malawi, Zimbabwe, El Salvador, Guatemala, Honduras, Nicaragua, Jamaica and Nepal. Country assessment studies of Tunisia and Mali have been launched.

361. All assessments indicated that the benefits and opportunities of globalization have, to date, been spread very unevenly and that greater coherence and compatibility between economic liberalization policies and policies aimed at promoting social and human development is needed.

362. The country studies have provided a basis for consensus building, in specific national contexts, among the development actors (Government, private sector, research institutions and non-governmental organizations) on the assessment of their country's development experience.

363. *National* workshops were held in all nine countries where the assessment studies were completed. Participation in all workshops was substantial and discussions benefited by the active participation of high-level representatives from the Government as well as from academia, business community and civil society.

364. Building on the experience of the first phase (1998-2000), the Programme will launch a second one (2001-2003). The strategy for this second phase will imply:

- A comprehensive programme on capacity building that entails assistance in drafting investment, competition and SMEs development policies, and activities aimed at reinforcing negotiating skills;

- A widening of the coverage of the country assessment studies to satisfy an increasing demand by developing countries3 to participate in the Programme;
- A deepening of the activities at the country level by assisting willing countries to draw up integrated national action plans, where macro and micro policies are integrated with the human development dimensions, and undertaking technical assistance activities in some of the following priority areas.

365. *Bilateral, regional and multilateral negotiations*:

- Formulation of investment policies and technology policies to attract foreign direct investment and to ensure that such an investment contributes to development capacity-building;
- Formulation of competition policy and laws;
- Formulation of policies aimed at enhancing the international competitiveness of micro and small enterprise;
- Strengthening institutions for effective economic governance and management of liberalization policies in pursuit of sustainable human development.

366. A regional approach will be adopted to take into account regional trade groups and economic associations, to select core countries, strengthening the web of relations existing within regional arrangements of similar countries.

367. Special attention will be paid to the acute and deep-seated problems of LDCs. Efforts will be made toward LDCs to raise the level of understanding and interest in adopting a more proactive management of integrating into the regional and global economy.

2. Advisory services

368. As reported in previous years, UNCTAD's technical cooperation is supported not only from project-specific funds but also from another source, namely section 21 of the United Nations programme budget.

369. Under section 21 of the United Nations programme budget, UNCTAD received for 2000 an allotment equivalent to 72 work-months, together with travel, consultants, fees and individual fellowship funds, for the purpose of participating in interregional advisory services, together with funds for participants in seminars. These resources were devoted to five main areas: (i) globalization and development; (ii) international trade in goods and services and commodities issues; (iii) investment, enterprise development and technology; (iv) services infrastructure for development and trade efficiency; and (v) least developed countries. Advisers undertook 32 missions in 2000.

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3 Bolivia, Burkina Faso, Cambodia, Côte d'Ivoire, Lesotho, Morocco, Mozambique, Senegal, United Republic of Tanzania, Uzbekistan and Viet Nam.

370. Also under section 21, in 2000, UNCTAD received an allotment financed from the remaining balance from the "savings account", equivalent to 18 work-months of advisory services, together with travel. All work-months were actually used. These resources were devoted three main areas: (i) commercial diplomacy; (ii) advice to developing countries on services infrastructure; and (iii) advice to least developed countries on implementation of the Integrated Framework for Technical Assistance. Advisers undertook 6 missions in 2000. Activities financed from the development account in support of the promotion of electronic commerce are described in paragraphs 343-350 above.

F. EXECUTIVE DIRECTION AND MANAGEMENT

(in US Dollars)

Project number	Short title	Duration	Status in 2000	Source of funds	Total budget	Cumulative expenditure	Expenditure 2000
GLO/97/219	Globalization and liberalization	1997 2000	Ongoing	UNDP	90,000	86,381	-878
GLO/98/615	Globalization, liberalization and sustainable human development	1998 2001	Ongoing	UNDP	1,636,364	1,274,390	423,671
GLO/98/B02	Globalization, liberalization and sustainable human development	1998 2001	Ongoing	UNDP	294,918	304,796	60,696
INT/90/A10	Liaison and assistance with technical co-operation donors	1990 -	Ongoing	Italy	568,249	529,066	28,727
INT/98/901	Globalization, liberalization and sustainable human development	1999 2000	Ongoing	UNDP	227,273	166,137	31,130
INT/99/A66	Book of Aspirations	2000 2001	Ongoing	Multidonors	18,000	1,460	1,460
INT/99/A67	UNCTAD X Civil Society Participation	1999 2001	Ongoing	Multidonors	44,538	3,698	3,698
INT/99/A73	Facilitating the organization of, and enhancing participation, at UNCTAD X	2000 2000	Ongoing	Belgium	119,314	101,192	101,192
INT8X707	Preparations for UNCTAD VII	1998 2000	Ongoing	Multidonors	255,910	288,022	-7,946
RAF/98/001	Globalization, liberalization and sustainable human development	1999 2001	Ongoing	UNDP	500,000	341,129	159,293
	Total: EXECUTIVE DIRECTION AND MANAGEMENT				**3,754,566**	**3,096,271**	**801,043**